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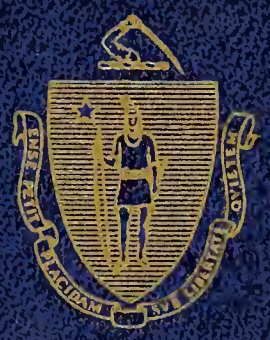
The General Court of Massachusetts

MANAGEMENT REVIEW:

MASSACHUSETTS WATER RESOURCES AUTHORITY

JULY 1, 1987 - DEC. 31, 1988



Committee on Post Audit and Oversight

Post Audit and Oversight Bureau

MANAGEMENT REVIEW:

MASSACHUSETTS WATER RESOURCES AUTHORITY

JULY 1, 1987 - DEC. 31, 1988

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HOUSE POST AUDIT BUREAU
OCTOBER, 1989

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The Commonwealth of Massachusetts
House of Representatives
Committee on Post Audit and Oversight
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TO: REPRESENTATIVE GEORGE KEVERIAN, SPEAKER OF THE HOUSE, AND HONORABLE MEMBERS OF THE GENERAL COURT

As Chairman of the Post Audit and Oversight Committee, I am pleased to present this management review of the Massachusetts Water Resources Authority (MWRA).

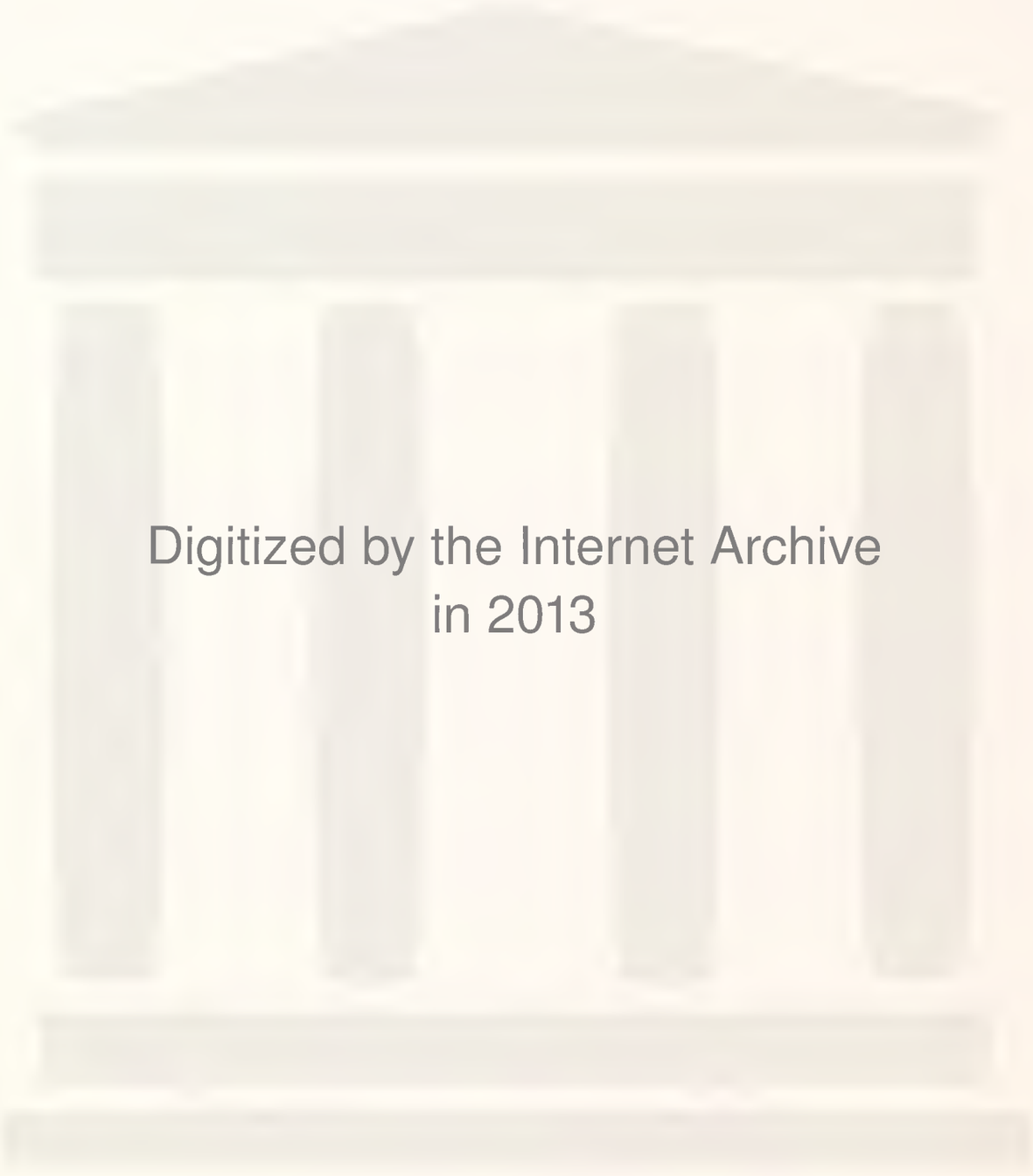
This report highlights a series of cases of questionable spending practices. For example cancelled employee incentive programs, $25,000 in coffee for employees, purchase of fundraising tickets, and amendments over $59 million in contract change orders.

I believe that the recommendation for a new detailed financial reporting system is essential to an oversight function of MWRA operations and should be required of all major state Authorities in the future.

I want to extend my appreciation to the House Post Audit Bureau staff for their efforts in this endeavor.

Robert A. Cerasoli

ROBERT A. CERASOLI
CHAIRMAN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SUMMARY OF FINDINGS

The following findings are presented in detail in the appropriate sections of this report.

Financial Operations

Finding 1 - The absence of a detailed reporting system for both the Legislature and the public gives the perception of a closed operation with excessive spending practices which contributes to substantial rate increases. A detailed financial reporting system is being recommended as the first step to greater oversight over the MWRA operations.

Finding 2 - Some expenditures were found to be questionable, considering that the MWRA is a state-created Authority, funded primarily through ratepayer charges. Examples of questionable expenditures include employee incentive programs, coffee and tea for employees, use of ratepayer funds for ticket purchases and fundraisers, interior plantings for MWRA offices and payment of parking tickets for employees and board members. We believe that the Authority is sending out the wrong message by allowing this type of spending, and should establish spending policies which are more consistent with those of a state agency.

Procurement Practices

Finding 3 - The use of non-professional service contracts and/or letter agreements for job positions which should be filled as regular MWRA employees, has created a hidden workforce similar to the Commonwealth's much criticized "03" consultants. MWRA's position is that this type of hiring is a more expeditious way of filling temporary non-professional positions. We believe it eliminates competitiveness, bypasses the regular personnel departments hiring process, and raises questions of patronage and favoritism.

Finding 4 - The MWRA has authorized over $59 million in change orders and amendments. This results in no-bid work which encourages "low balling", on initial contract bids and inflated costs on subsequent amendments/change orders.

Personnel Policies

Finding 5 - The MWRA has expended a substantial amount of money in recruiting and relocating employees. We question the need to go out of state to recruit for positions which require a high school diploma and no specialized skills. We further question the MWRA's relocation policy to pay for temporary housing, real estate commissions and moving costs.

Finding 6 - The need to spend $300,000 for recruitment consultants during calendar 1986 and 1987 must be questioned given the fact that the Human Resources Department within the MWRA with a staff of thirty (30) and a budget of approximately one million dollars is primarily responsible for hiring employees.

THE GENERAL COURT OF MASSACHUSETTS
Post Audit and Oversight Bureau
STATE HOUSE, BOSTON 02133

RICHARD F. TOBIN, JR.
DIRECTOR

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FOREWORD

The success of this report rests upon the acceptance and implementation of a new financial reporting system.

The current system, mandated by statute, requires MWRA to file an annual report with the Legislature and the Governor. However, the report fails to present a level of detail necessary for the proper review and oversight by any management or audit agency.

The lack of an audit trail has caused many legislators to question some of the financial decisions made by MWRA officials.

We believe that the acceptance and implementation of this recommendation will not only assist the Legislature, but also will serve as a management guide for the MWRA in its future financial decisions.

We want to express our gratitude to all the employees of MWRA for their assistance and full cooperation in our endeavor.

In particular, I want to thank Mr. Paul F. Levy, Executive Director for his preliminary acceptance of our recommended financial reporting system.

Richard F. Tobin, Jr.
Director

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A. INTRODUCTION

I. Background

MWRA was established in January, 1985 with the creation of the Massachusetts Water Resources Authority Act.[1] The Authority assumed the powers and duties of the Metropolitan Water District and the Metropolitan Sewerage District, which were formally divisions within the Metropolitan District Commission (MDC).

Following a six month transition period, MWRA assumed ownership, possession, and control of the water distribution system and the sewer system. It further has the responsibility for providing the water supply services and sewage services to the cities and towns previously served by MDC.

MWRA was established and created as an independent authority, free from those administrative and statutory constraints, that MDC had to follow. As an independent Authority, MWRA is not subject to the supervision or control of any state agency or political subdivision.

MWRA has the authority to issue bonds to cover the costs of its capital expenditures. MWRA and the Commonwealth pledges its full faith and credit for the payment of principal and interest on the obligations. This avenue of generating capital allows the Authority to raise the funds required to clean up Boston Harbor, as well as to

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[1]Ch. 372, Acts of 1984.

meet the variable needs of managing the water and sewer systems in the future.

II. Purpose

The general purpose of MWRA is to operate, regulate, finance, and improve the delivery of water and sewage collection, disposal, and treatment systems and services.

To accomplish these objectives, MWRA is empowered to issue revenue bonds and notes, hire personnel, engage consultants, adopt budgets for its operations and capital programs, to establish charges for its services and commodities without supervision by other agencies of the Commonwealth, and to enforce the collection thereof, and to acquire property through purchase or lease and sell its property. MWRA will continue to exist until it is terminated by law, at which time provisions must be made for the payment of any outstanding bonds or notes of the Authority.

MWRA is also responsible for the establishment of leak detection programs, and reduction of infiltration and inflow into the Systems. Further, MWRA provides professional management and system-wide planning, and establishes and administers programs for the conservation of water.

III. Services

The Authority serves over two million people, representing 38% of the total population of the Commonwealth. It provides water and distribution services within 46 cities, towns, and special purpose districts and wastewater collection and treatment services within 43 municipalities.[2]

The provision of water to 19 of the 46 current municipal users served by the Authority's Waterworks System is governed by contracts between these communities and the MDC. These contracts were assumed by the Authority, or in some cases, by both legislative act and contract.[3]

The sewer system, by contrast, is governed solely by the Act and state and federal laws. Any city or town within the limits of the sewer system must connect its local sewers with the central sewer system subject to the direction and regulation of the Authority.

IV. Organizational Structure

The Authority's powers are exercised under the supervision of the Board of Directors. The Secretary of Environmental Affairs is the Chairman of the Board and ten (10) other members are appointed. Four (4) members are appointed by the Governor, (one resident of a Connecticut River Basin community, one resident of a Merrimack River

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[2]Appendix A.

[3]Appendix B

basin community, one upon recommendation of the Mayor of Quincy, and one upon recommendation of the Selectmen of Winthrop). Three members of the Board are appointed by the Mayor of Boston, and three are appointed by the Advisory Board. Six members of the Board constitute a quorum and a binding vote.

The Authority's organizational structure includes seven divisions under the direction of the Executive Director. They are as follows:

1. Executive
2. Law
3. Sewerage
4. Waterworks
5. Finance and Development
6. Program Management
7. Support Services

The Executive Director, as chief executive officer of the Authority, is responsible for the implementation and coordination of the Authority's policies and procedures at the direction of the Board of Directors.[4]

The Authority also has an Advisory Board made up of one hundred (100) members. The purpose of this board is to:

1. Make recommendations to the Authority on annual budget proposals;
2. Conduct hearings on matters concerning the Authority;

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[4]Appendix C.

3. Review the annual report with comments to the Authority and the Governor;

4. Examine reports of the Authority's records and affairs as deemed appropriate; and

5. Make recommendations to the Governor and General Court regarding the Authority and its programs.

B. FINANCIAL OPERATIONS

I. Requirements

The Authority is required to adopt an annual budget for its current expenses. User rates for water and sewer services must cover the costs of operations. In addition, the Authority is responsible for identifying costs as being attributable to either water or sewer operations.

II. Budgetary Process

The Authority prepares a proposed current expense budget for the fiscal year which is detailed by program within each Division. This detailed budget document is then sent to the MWRA Advisory Board for review and comment. The Advisory Board conducts a public budget hearing as part of its 60-day review process and submits comments and recommendations to the MWRA Board of Directors.

The Board of Directors reviews the proposed budget along with the recommendations from the Advisory Board and also holds public hearings. The Board formally adopts a budget in June for the fiscal year beginning July first. This then becomes the current expense budget which the Authority must follow. It is important to note that the budget, once approved by the MWRA Board of Directors, is not subject to further approval by any board, department, agency, or other instrumentality of the Commonwealth.

The MWRA is required to establish charges which provide sufficient funds each year to pay all current operating expenses. To meet the fiscal year 1989 revenue requirements,

rates and charges for water and sewer services would yield 94% of the total revenue needed. The remainder of the revenue comes from contract users (1.5%), investment income on operating and reserve account balances (2.9%), and from fines and miscellaneous income (1.6%). Water is provided to most users at a flat rate per million gallons used while sewerage service is allocated on the basis of population and population equivalents for large industrial users.

While preparing the current expense budget, rate revenue is determined and preliminary rate charges are provided to MWRA customers in late February or early March for use by municipalities in preparing their local budgets. Once the Authority's final budget is approved, local users are notified of approved rates and a schedule of payments. The Fiscal 1990 payment schedule is as follows:

% of Annual Billable Amount Due	Due Date
17.5%	On or before Sept. 15
27.5%	On or before Nov. 15
22.5%	On or before March 15
32.5%	On or before May 15

The Authority billings to communities and contract customers are considered wholesale costs. The local customers then add the costs that are incurred in supplying water and/or sewer services to individual households and businesses and establishes a retail rate. MWRA policy is to encourage local customers to establish retail rates which reflect the full cost of providing local water and/or

sewerage services.

III. Reporting Requirements

The Authority is required under the enabling legislation to submit an annual report to the Governor, the President of the Senate, the Speaker of the House, the Advisory Board, and the Chairman of the Senate and House Committees on Ways and Means. The annual report is to contain financial statements relating to its operations maintained in accordance with generally accepted accounting principles and audited by independent certified public accountants.

The financial statements were taken from the MWRA 1988 Annual Report and were audited by the accounting firm of Coopers and Lybrand.[5] The audit opinion indicates that the financial statements " . . . present fairly, in all material respects, the financial position of the MWRA as of June 30, 1988.. . ." A review of these financial statements indicates total FY 1988 operating revenues of $103,187,000 and operating expenses of $69,920,000, after adjustment.

However, these financial statements do not provide the legislature, or the general public, with detail as to how ratepayer money was actually expended.

The schedules prepared by the House Post Audit Bureau from automated financial statements of the MWRA reflect detail of total operating expenses of the MWRA for Fiscal

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[5]See Appendix D.

Year 1988.[6] This detail, in summary form, presents a picture of how the MWRA spends the money which is generated primarily through user charges to member communities and contract customers.

Looking at the FY 1988 Expenditure Summary (Sch. 1) provides detail by the nine major divisions or cost centers as follows:

Sch.	Division	FY 88 Expenditures	% of Total
2	Law	$ 992,667	1.4%
3	Executive	6,289,190	9.0
4	Sewerage	26,190,272	37.4
5	Waterworks	13,354,496	19.1
6	Finance & Development	2,534,411	3.6
7	Engineering	2,740,392	3.9
8	Construction	2,027,384	2.9
9	Administrative Support	4,897,962	7.0
10	Other	10,993,704	15.7
	Total MWRA	$70,020,478	100.0%

A further review of schedules 2 through 10 will provide the detail by Unit within Division further broken down by subsidiary account and object code within subsidiary. For example, looking at the Executive Division (Schedule 3), there are seven Units within this Division which spent a total of $6,289,190 for Fiscal Year 1988. This amount is

[6]See Appendix E.

further broken down by subsidiary account and object code for each Unit.

Schedule 11 provides an expenditure summary for the first six months of Fiscal Year 1989 (July 1, 1988 - December 31, 1988) and reflects the re-organized Authority operation for that period as follows:[7]

Sch.	Division	FY 89 (6 mos) Expenditures	% of Total
12	Law	$ 530,637	1.2%
13	Executive	3,603,447	8.3
14	Sewerage	14,848,878	34.1
15	Waterworks	9,453,219	21.7
16	Finance & Development	1,744,497	4.0
17	Deer Island (Prog. Mgmt.)	513,014	1.2
18	Administrative Support	4,290,955	9.8
19	Other	8,557,763	19.7
	Total MWRA	$43,542,409	100.0%

Schedules 12 through 19 provides the detail by Unit within each Division broken down by subsidiary account and object code within subsidiary.

This information illustrates the advantage of having a detailed reporting system, so that all concerned parties will know exactly how the funds generated primarily through user charges are actually expended. This level of detail will create a more open atmosphere and should eliminate much

[7]See Appendix F.

of the confusion and concern which currently exists over MWRA spending practices and the need for annual rate increases.

IV. Results of Expenditure Review

During the course of this audit, many expenditures were noted which appeared to be of a questionable nature considering that MWRA is a state-created Authority whose funding is generated primarily from ratepayer charges.

The law establishing the MWRA requires an annual budget be adopted and that user rates for water and sewer services be established at a level which would provide sufficient funds to cover the cost of current operations.

This requirement establishes the linkage between the decision making process at MWRA and the cost to the user of the system.

In consideration of this linkage, it is doubtful that the consumer would abide by many of the expenses incurred by MWRA as a matter of course in doing business.

The following are some examples of questionable expenses.

a. Employee Incentive Program

In February 1987, the MWRA decided to establish an Employee Incentive Program and placed an order for $20,000 to purchase gifts which included color TV's and 5 piece designer luggage sets. In September, 1987, it was decided not to go ahead with the incentive program, and the orders for the gift items were cancelled. A total of $3,386 was paid as settlement on cancelled orders. The detail of these payments follows:

* Abront Associates
2/22/88 Settlement on Cancelled $ 1,170.00
order for Employee Incentive
Program

Order Cancelled:
65 (5-piece sets)
Pierre Cardin Luggage
Amount of Purchase order $7,800.00

Invoice approved by M. Molay 2/22/88

* A.S.A.P. Inc.
1/22/88 Settlement on Cancelled $ 2,216.00
order for Employee Incentive
Program

Order Cancelled:
65 Panasonic Color TV's $14,773.45

Invoice approved by M. Molay 1/22/88

b. Coffee for Employees

The MWRA spent $25,508 during Fiscal Year 1988 for coffee and cream. Payments were made to:

Ryder Distributing Co., Inc. $19,781
for coffee, tea, hot choc. etc.

Por-Shun, Inc. 5,727
for creamers

Also, the State Auditor, in his report of the MWRA covering the period FY 1986 through 1988, reported a total of $46,077 for a coffee service for employees. The MWRA continues to provide coffee at no expense to employees.

c. Ticket Purchases/Fundraisers

The following is a partial listing of payments for community/political events.

Martin Luther King Memorial $2,000
10/20/87 Breakfast
2 tables
(24 tickets @ $1,000 per table)

Invoice approved by Julius Williams 10/20/87

Massachusetts Black Caucus $ 900
2/2/88 Fundraiser (20 tickets
@ $45.00 per person)

Invoice approved by Julius Williams 2/3/88

Massachusetts Black Caucus Fundraiser $ 500
1/10/89 1 table (10 tickets @ $50.00)

Invoice approved by Mercedes Evans
for Julius Williams 1/10/89

Martin Luther King Memorial Breakfast $2,000
1/10/89 2 tables (24 tickets)

Invoice approved by Mercedes Evans
for Julius Williams 1/10/89

Roxbury Comprehensive Community Health Center $1,300
1/20/89 Third Annual Fundraiser
1 Table - Corporate Donor

Invoice approved by Mercedes Evans
for Julius Williams 1/20/89

d. Interior Landscaping

The MWRA paid for interior plantings and pointsettias as follows:

* Emerald Isle Urban Interior Plantscaping
12/15/87 Pointsettias, wreaths, etc. $ 600
3/21/88 Interior plantings and
1 year maintenance contract $2,286

Invoices approved by M. Molay

e. Parking Tickets

The MWRA paid $3,360 to the City of Boston for parking tickets during FY 1988. These invoices were approved by several different individuals.

The State Auditor had reported $6,476 expended for employee parking tickets covering the period July 1, 1985 through June 30, 1988.

VI. Conclusion

We consider the types of expenditures detailed above to be inappropriate since they do not promote the mission of this Authority and are being paid out of funds generated through user rates to the public.

The Authority is sending out the wrong message by allowing this type of spending and should establish spending policies which are more in line with those of a state agency.

C. PROCUREMENT PRACTICES

I. Introduction

The Authority is authorized to enter into contracts, arrangements, and agreements with other persons in all matters necessary or convenient to its operation. The process used in procuring and awarding contracts is regulated by the policies developed by the MWRA Procurement Department within the Finance and Development Division.

Between July 1985, and March of 1989, the Authority entered into 458 service and construction contracts valued at $358 million.

The following section will define the process that was developed, and is presently being used by the MWRA in procuring professional, non-professional, and construction contracts.

II. Process

MWRA has developed a procurement manual which defines the process for procuring professional, non-professional and construction contracts.

Professional contracts are for services requiring advanced degrees or knowledge. They are divided into the following four categories:

1. Cost category #1 - All contracts for amounts up to $2,500.
2. Cost category #2 - All contracts for amounts more than $2,500 up to $10,000.
3. Cost category #3 - All contracts for amounts more than $10,000 and up to $25,000.

4. Cost category #4 - All contracts for amounts more than $25,000.

The procurement process for each of these cost categories is summarized in Appendix G.

The process for solicitation and award of all non-professional service contracts is summarized in Appendix H.

In awarding construction contracts, the MWRA is required to comply with Massachusetts General Laws which establish the procedures that a state agency must follow when procuring a construction contract.[8] This process is summarized in Appendix I.

Once the contract is completed, whether it be for professional, non-professional, or construction contracts, an evaluation of the services provided by the contractor is done by the MWRA project manager. The project manager's written evaluation is submitted to the Procurement Department to be kept on file for future reference. However, if a project manager is not satisfied with the job done by a contractor, this information is forwarded to the Executive Director or the Board of Directors for action.

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[8]M.G.L.A., Ch. 149, Sections 44A-44H
M.G.L.A., Ch. 30, Sec. 39M

III. Assessment

The Bureau requested that MWRA develop a list of contracts including all amendments and change orders entered into by the Authority from July 1985 through March of 1989. This list included 458 service and construction contracts valued at $358,470,000. This list does not include construction contracts which were entered into by the MDC. Several contracts were selected from this list in order to assess the process utilized by the Authority in advertising, selecting contractors and awarding contracts.

a. Professional Service Contracts

We selected six contracts totalling $371,230, all of which were to provide a personnel function on behalf of the MWRA. The six contracts are:

Contractor	Total
1. Smith/Gill Service: Minority Recruitment	$166,500
2. Haughey Group Service: Recruitment Advertising	$105,000
3. Portfolio Associates Service: Recruitment Advertising	$ 40,000
4. Peat, Marwick, & Mitchell Service: Personnel Policies	$ 14,700
5. Management Strategies Service: Personnel Reporting System	$ 5,030
6. William Coughlin Service: Performance Management Review	$ 40,000
	$371,230

Each contract was taken through the professional

service procurement process for their respective cost category to insure compliance with statutory requirements, as well as, MWRA internal guidelines.

As a result of our analysis. we found that each contract was advertised, competitively procured, reviewed and approved by the budget office, the contract administration department, the affirmative action and compliance unit, and the Executive Director or his designee. However, we did not find adequate documentation to determine that each of the services contracted for was necessary. We believe that the MWRA's lack of a definitive needs assessment function prior to entering into the procurement process lends itself to a potential for waste and abuse.

For example, although we are not questioning the process used in soliciting the services of Smith/Gill, we are questioning the need for an outside firm to provide a minority recruitment service. The MWRA's request for qualifications for this contract read,"The consultant shall assist the Authority in the achievement of its affirmative action objectives by identifying and referring qualified minority/women candidates for specific positions as requested by the Director, Personnel Department." While we commend the MWRA for their initiative in attempting to meet their affirmative action objectives, we believe that this service as well as the other services contracted for in the above list, could have been performed in house by the MWRA personnel and affirmative action departments. To date, the

MWRA personnel department has a staff of thirty, while the affirmative action unit employs eleven.

b. Non-Professional Service Contracts

The Bureau selected the following ten non-professional service contracts for review:

Contractor	Scope of Services	Total
1. Victor L'Esperance	Courier	$ 3,500
2. Therese Abbot	Receptionist	$ 4,500
3. Anne Blander	Receptionist	$ 1,700
4. Winifred Walsh	Receptionist	$ 3,150
5. Laura Harrington	Courier	$ 2,700
6. Phyllis Albano	Receptionist	$ 1,800
7. Ernest Laslie	Courier	$ 3,600
8. Patricia Powers	Receptionist	$ 3,600
9. Gerard Horgan	Courier	$ 1,800
10. William Parker	Courier	$ 3,600
		$29,950

Upon reviewing the cases above, we found that each individual had entered into a letter agreement with a Division Director under the MWRA's delegated authority policy. This policy states, "The Deputy Director or any Division Director may execute an agreement for professional or non-professional services for up to $10,000.00 and for a term not exceeding twelve months." Under this policy, the Division Director solicits and chooses the vendor he/she feels is best qualified. The signed written agreement is

then sent to the procurement department, given a contract number, and filed. Most of these agreements are for a limited amount of time, at the end of which, the contract can be amended, or the individual is converted to a regular employee status or terminated.

Since these individuals were hired through a contract or agreement, their salaries do not appear on the MWRA payroll, thus creating a hidden workforce similar to the Commonwealth's much criticized "03" consultants.

Although MWRA staff contend that this type of hiring was done when the personnel department was in its formative years and did not have the resources or system in place to expeditiously fill all positions, we have found fourteen agreements awarded to individuals in 1987 and six in 1988. Although MWRA officials may feel that this type of "hiring" is a more expeditious way of filling temporary non-professional positions, we believe it eliminates competitiveness, bypasses the regular personnel departments hiring process, and raises questions of patronage and favoritism.

c. Construction Contracts

We reviewed two construction contracts, each in excess of $2 million for their compliance with the procurement process outlined in Appendix I of this report.

Contractor	Scope of Services	Total
1. P. Gioioso & Sons	Construction of Pumping Stations	$2,183,037
2. J.F. White	Pipe Piling Supply	$2,698,450

We found that both contracts were competitively procured through the process established by MGLA Chapter 149, Sections 44A through 44H and Chapter 30, Section 39M. We also found sufficient documentation to show that each contract had been competitively procured, and each was the lowest qualified bidder.

d. Amendments & Change Orders

From July of 1985 through March of 1989, the MWRA has authorized over $59,000,000 in no bid contract amendments or change orders.

The MWRA procurement manual defines a change order as a time or monetary modification to an existing construction contract while an amendment is a time or monetary modification to an existing service contract. Both are used if an unforeseen problem arises with a particular service or project which requires additional time or funding. Since change orders and amendments may be authorized by the Executive Director or his/her designee without going through a competitive bid process, they have become a target area

for auditors because of the potential for waste and abuse.

On March 13, 1989, the Inspector General's office issued a report stating that: "the authority has, in effect, awarded millions of dollars in no-bid work by improperly adding amendments to existing agreements. This practice leaves the authority and its ratepayers vulnerable to waste and abuse." The IG's report states several cases where the amendments authorized by the MWRA are substantially greater than the original contract. While we support the IG's findings, we feel it should also be pointed out that not only is this a poor business practice that lends itself to waste and abuse, but is a practice which puts MWRA in direct violation of its own policy.

A 1987 MWRA policy states that, "the Executive Director may authorize, approve, enter into, or execute any change order, or amendment to any contract, agreement, or order in which the orders or amendments in the aggregate do not exceed 125% of the total original contract amount or $250,000 whichever is less and does not extend the term of performance more than 6 months."

We found that this policy was violated in at least 40 cases. For example:

Contractor: Black & Veatch - Design

Type	Date	Total
Original Contract	10/23/87	$1,953,169
Amendment	9/28/88	**1,252,216**

Contractor: Metcalf & Eddy - Study

Type	Date	Total
Original Contract	1/22/86	$2,200,000
Amendment	6/24/87	**436,629**

Contractor: Kaiser Engineers - Consultant

Type	Date	Total
Original Contract	4/13/88	$18,436,925
Amendment	9/28/88	**453,751**

We also found more than 25 cases where amendments increased the original contract by more than the 125% limit. For example:

Contractor: SEA Consultants - Design

Type	Date	Total
Original Contract	12/6/84	$1,183,737
Amendment	9/5/85	**Time Extension**
Amendment	10/29/86	**Time Extension**
Amendment	12/23/86	**468,613**
Amendment	9/30/87	**285,991**
Amendment	5/19/88	**Time Extension**
Amendment	9/14/88	**123,477**
Amendment	9/14/88	**6,337,937**

***MWRA amendments increased contract by 610%.**

Contractor: CH2M Hill - Study

Type	Date	Total
Original Contract	4/2/86	$ 50,000
Amendment	10/1/86	**200,000**

***MWRA amendment increased contract by 400%.**

Contractor: CH2M Hill - Consultant

Type	Date	Total
Original Contract	2/24/88	$1,825,931
Amendment	4/27/88	**4,678,434**

***MWRA amendment increased contract by 256%.**

After the release of the Inspector General's report, the MWRA revised their amendment/change order policy, by reducing the percentage cap from 125% to 25%.[9] Unfortunately, the change in policy did not change the mind set of MWRA officials. The Bureau has found several instances in which MWRA continues to violate its own policy as the following examples illustrate.

Contractor: Cambridge Analytical - Consultant

Type	Date	Total
Original Contract	7/29/87	$660,000
Amendment	3/31/89	**300,000**

***MWRA amendment increased contract by 45%.**

Consultant: Parsons Brinkerhoff - Design

Type	Date	Total
Original Contract	9/16/87	$490,000
Amendment	3/9/88	**217,000**
Amendment	7/27/88	**81,900**
Amendment	3/22/89	**700,527**

***MWRA amendment increased contract by 204%.**

In conclusion, the MWRA has authorized over $59,000,000 in change orders and amendments. This results in no-bid

[9] IG recommended 10% cap.

work which encourages "low balling" on initial contract bids and inflated costs on subsequent amendments/change orders.

D. PERSONNEL POLICIES & PROCEDURES

I. Introduction

While the majority of employee benefits enjoyed by MWRA workers are quite similar to those of their state employee counterparts, the actual means of acquiring employment vary widely between these two entities.

Many state positions fall within the purview of the Civil Service System. Civil Service is the embodiment of the merit system of hiring, whose elements consist of examination, certification, and tenure.

Our hundred year old Civil Service System was instituted to instill fairness into the state hiring processes. The genesis of this system was a public outcry against favoritism and nepotism.

While Civil Service over the years has eroded to the point where now less than half of the state positions are included within the system, the rationale for examination, certification, and tenure is as valid today as when the process was first instituted.

Critics of Civil Service have pointed out that the system has become cumbersome and unresponsive to the needs of today's society with the increase of hi-tech positions and a need to quickly react to staffing job vacancies. While this may be to some degree true, another more critical factor in the mix has been a neglect of the merit system by those with the authority to hire and set policy.

II. Hiring Practices

The Legislation which created the MWRA required that employees of the Authority not be subject to Civil Service. For this reason, all individuals hired by the Authority are subject only to the hiring criteria established by the MWRA.

Thus, the responsibility falls to MWRA to develop the policies and procedures to assure the staffing of the Authority with qualified employees.

The Human Resource Department within the MWRA has primary responsibility for hiring employees. This Department has a staff of thirty (30) and a budget of approximately one million dollars.

To assist the Department, MWRA has procedures concerning recruitment, hiring, employee benefits, etc., which are in various degrees of completion. Some are planned procedures, others are being developed, some are draft procedures and there are those that have been implemented.

The lack of complete written procedures allows expenditures for hiring employees and paying relocation costs which could be considered expensive and/or unwarranted.

III. Assessment

Our review of MWRA hiring practices revealed that an inordinate amount of money was expended in recruiting and relocating employees.

Numerous cases of excessive cost for hiring were found

during this review as illustrated by the following:

a. Permit Tracker

MWRA paid relocation and temporary housing to fill the position of "permit tracker".

This position has a salary range of $18,238 to $22,078, and the requirements for filling the position are as follows:

- a high school diploma,
- ability to understand oral and written instructions,
- demonstrated experience in filing and keeping accurate records.

As can be seen from the above criteria, it is safe to say that the majority of the Commonwealth's available workforce would be able to meet the qualifications for the job quite easily. However, MWRA found it necessary to pay a recruiter over $6,500 to locate a candidate out of state, and pay the candidate's travel fare and lodging cost for interviewing. After having been hired, the MWRA paid the employees housing cost for a time after relocation.

The expenditures for recruitment and relocation of the employee are as follows:

- Interview cost - (Air Travel/Hotel)	$ 696.70
- Relocation Cost - (Housing)	$ 1,974.20
- Recruiter - (Vendor)	$ 6,595.29
- Moving	$ 1,003.41
TOTAL	$10,269.60

MWRA expended money to find, hire, and relocate an individual for a job that could have easily been filled from the local available labor pool.

b. General Counsel

On June 8, 1986, MWRA hired a General Counsel at a salary of $70,000 per year.

Other costs associated with the hiring of the General Counsel were $17,500 to a recruitment consulting agency and $26,800 to relocate the employee to the Boston area.

The employee, having cost the MWRA over $44,000 to fill the $70,000 position, then received a $5,950 merit increase in salary during his 18 month tenure with the MWRA. On December 12, 1987 this employee terminated his employment.

The relocation portion of the cost breakdown is as follows:

- Transportation	$ 2,063.00
- Rent (13 Mos.)	7,800.00
- Commission (on sale of house)	11,903.00
- Crating & Packing	3,428.96
- Housecleaning	140.00
- Closing Trip	404.18
- Limo	112.00
- Air Fare	932.50
- Termite Inspection	60.00
Total	$26,843.64

This situation is another example of what can happen when procedures are not in place to control expenditures of this nature. Not only was an inordinate amount of money expended up front, there was no control in place to protect

the Authority's investment when the employee decided to change jobs. Sound business practice would call for a contract for a definitive period of employment or a partial payback
of relocation costs in the event of an early resignation.

c. Project Engineer

The MWRA paid to have this employee's car transported from Texas to Boston. Actual costs associated with the hiring of this project engineer include the following:

- Interview Reimbursement

Air Fare (Austin, TX - Boston)	$542.50
Lunch (Boston)	5.31
Cab Fares (Boston)	43.00
Parking (Austin)	11.00
	$601.81

- Paid to North American Van Lines

Transportation of 1986 Pontiac	$971.00

Once again, these payments raise questions. Does MWRA need to go to Texas to get a Project Engineer? Is it reasonable to expect your new employer to transport your car to your new job site?

MWRA must limit the parameters of relocation and promulgate a policy on recruitment and relocation costs.

d. Recruiters

The activity of the Human Resources Department in recruiting employees has been augmented by $300,000 in consultant contracts for calendar 1986 and 1987. Also, during the course of our study it was observed that departments other than Human Resources have expended funds for recruitment.

For example, the Finance and Development Office paid $10,200 to Wayne-Scott Associates for recruitment purposes. This activity outside the Human Resources Department blurs the actual total costs that MWRA spends on recruiting.

We do know that in 1986 and 1987 the Human Resources Department of MWRA expended the following in outside recruiting services above and beyond their in-house activity.

Contractor	Activity	Cost
Smith/Gill	Minority Recruitment	$166,500
Haughey Group	Recruitment Advertising	$105,000
Portfolio Associates	Recruitment Advertising	$ 40,000
	TOTAL	$311,500

The necessity for spending over $300,000 for recruitment consultants must be questioned.

APPENDICES

A. Map of Massachusetts Water Resources Authority Service Areas

B. List of MWRA Service Areas

C. MWRA Organizational Chart

D. MWRA Financial Statements - FY 1987-1988

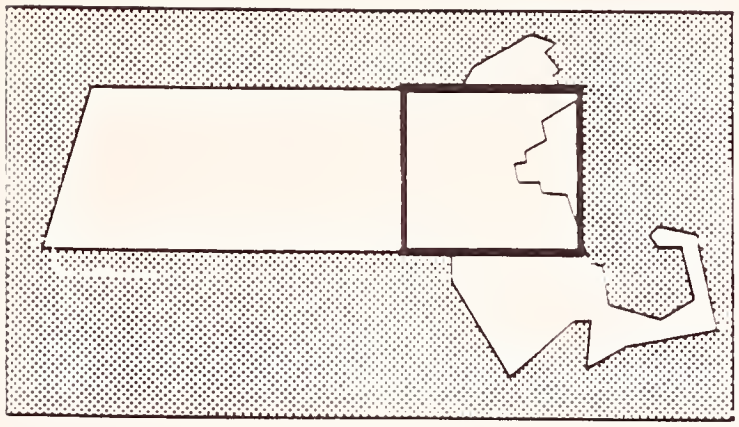
E. MWRA Operating Expenses - FY 1988
Schedules 1 through 10

F. MWRA Operating Expenses - FY 1989 (6 mos.)
Schedules 11 through 19

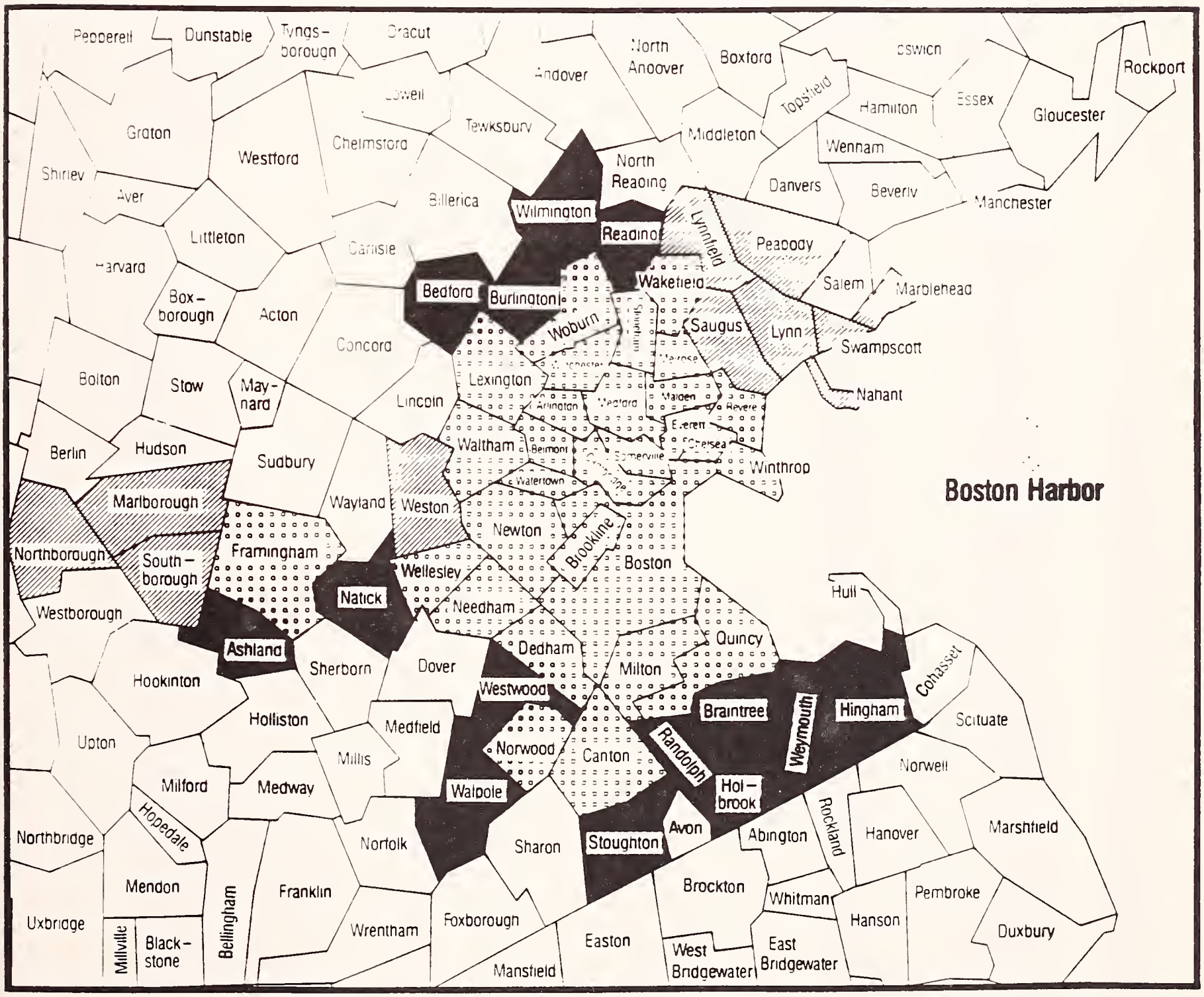
G. MWRA Procurement Process - Professional Service Contracts

H. MWRA Procurement Process - Non-Professional Service Contracts

I. MWRA Procurement Process - Construction Contracts



Massachusetts Water Resources Authority Service Areas



Legend

Notes: Shaded areas represent the Authority's statutory service areas, exclusive of the following local bodies served by the water system which are located further west of the Greater Boston area: Chicopee, Clinton, Leominster, South Hadley Water District No. 1, Wilbraham and Worcester. The sewer service provided by the Authority to Hingham is provided to the north water district of Hingham only. Excludes sewer service provided by the Authority to Clinton and the Lancaster Sewer District.

- Water Only
- Sewer Only
- Both Services

APPENDIX B
MASSACHUSETTS WATER RESOURCES AUTHORITY
SERVICE AREAS

City/Town	System Customer: Water(1)	System Customer: Sewer(1)	Estimated Population(2)	Fiscal 1989 Charges	Percent of Total FY 1989 Charges(1)
Arlington	x	x	45,640	$ 2,887,866	2.1%
Ashland		x	10,328	357,684	0.3
Bedford		x	12,800	710,230	0.5
Belmont	x	x	25,400	1,634,182	1.2
Boston(3)	x	x	570,719	49,904,545	36.2
Braintree		x	35,451	1,543,272	1.1
Brookline	x	x	53,302	3,758,713	2.7
Burlington		x	22,959	1,052,076	0.8
Cambridge	x	x	92,535	4,647,302	3.4
Canton	x	x	18,177	1,042,283	0.8
Chelsea	x	x	26,058	1,769,553	1.3
Dedham(4)	x	x	24,399	951,343	0.7
Everett	x	x	36,511	3,222,426	2.3
Framingnam	x	x	64,844	2,778,428(5)	2.0
Hingham		x	19,942	259,014	0.2
Holbrook		x	10,992	307,837	0.2
Lexington	x	x	29,033	2,406,652	1.7
Lynn(6)	x		79,264	475,196	0.3
Lynnfield(7)	x		11,191	78,672	0.1
Malden	x	x	53,604	3,288,489	2.4
Marblehead	x		19,755	342,197	0.2
Medford	x	x	57,343	3,703,309	2.7
Melrose	x	x	29,123	1,844,226	1.3
Milton	x	x	25,696	1,687,407	1.2
Nahant	x		3,922	81,735	0.1
Natick		x	30,198	1,195,327	0.9
Needham	x	x	28,310	1,287,115	0.9
Newton	x	x	82,297	5,649,840	4.1
Norwood	x	x	29,918	2,046,866	1.5
Peabody	x		46,140	177,810	0.1
Quincy	x	x	83,682	5,441,387	3.9
Randolph		x	28,355	1,202,824	0.9
Reading		x	22,545	931,278	0.7
Revere	x	x	43,141	2,698,385	2.0
Saugus	x		25,313	605,328	0.4
Somerville	x	x	75,836	4,736,161	3.4
Stoneham	x	x	22,450	1,635,704	1.2
Stoughton		x	27,126	823,600	0.6
Swampscott	x		13,499	367,979	0.3
Wakefield	x	x	25,112	1,687,526	1.2
Walpole		x	19,293	673,079	0.5
Waltham	x	x	57,713	4,620,708	3.4
Watertown	x	x	33,430	2,167,771	1.6
Wellesley	x	x	26,658	1,092,220	0.8
Weston	x		10,908	236,225	0.2
Westwood		x	12,976	455,043	0.3
Weymouth		x	54,273	2,116,052	1.5
Wilmington		x	17,442	389,353	0.3
Winchester	x	x	20,021	1,136,278	0.8
Winthrop	x	x	18,896	1,211,373	0.9
Woburn	x	x	37,251	2,440,244	1.8
Total	37	43	2,271,771	$137,760,113	100.0%

*See next page for footnotes.

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(1) Excludes 9 communities which have water supply contracts with the Authority that remain in force: Chicopee, Clinton, Leominster, Marlborough, Northborough, Southborough, South Hadley, Wilbraham and Worcester. These communities had an estimated 1984 combined population of 340,538 and Fiscal Year 1988 combined charges of approximately $661,375. Also excludes the wastewater services provided to the Town of Clinton and the Lancaster Sewer District by the Clinton Wastewater Treatment Plant (see "The Systems—The Sewer System—Clinton").

(2) Population figures, used in establishing the Authority's fiscal 1989 rates and charges, represent United States Bureau of the Census estimates as of January 1, 1984.

(3) The Authority's services to Boston are provided to the Boston Water and Sewer Commission.

(4) Currently receives no water from the System.

(5) Excludes contract charges for water supply services. In Fiscal Year 1988, such charges amounted to $1,034,555.

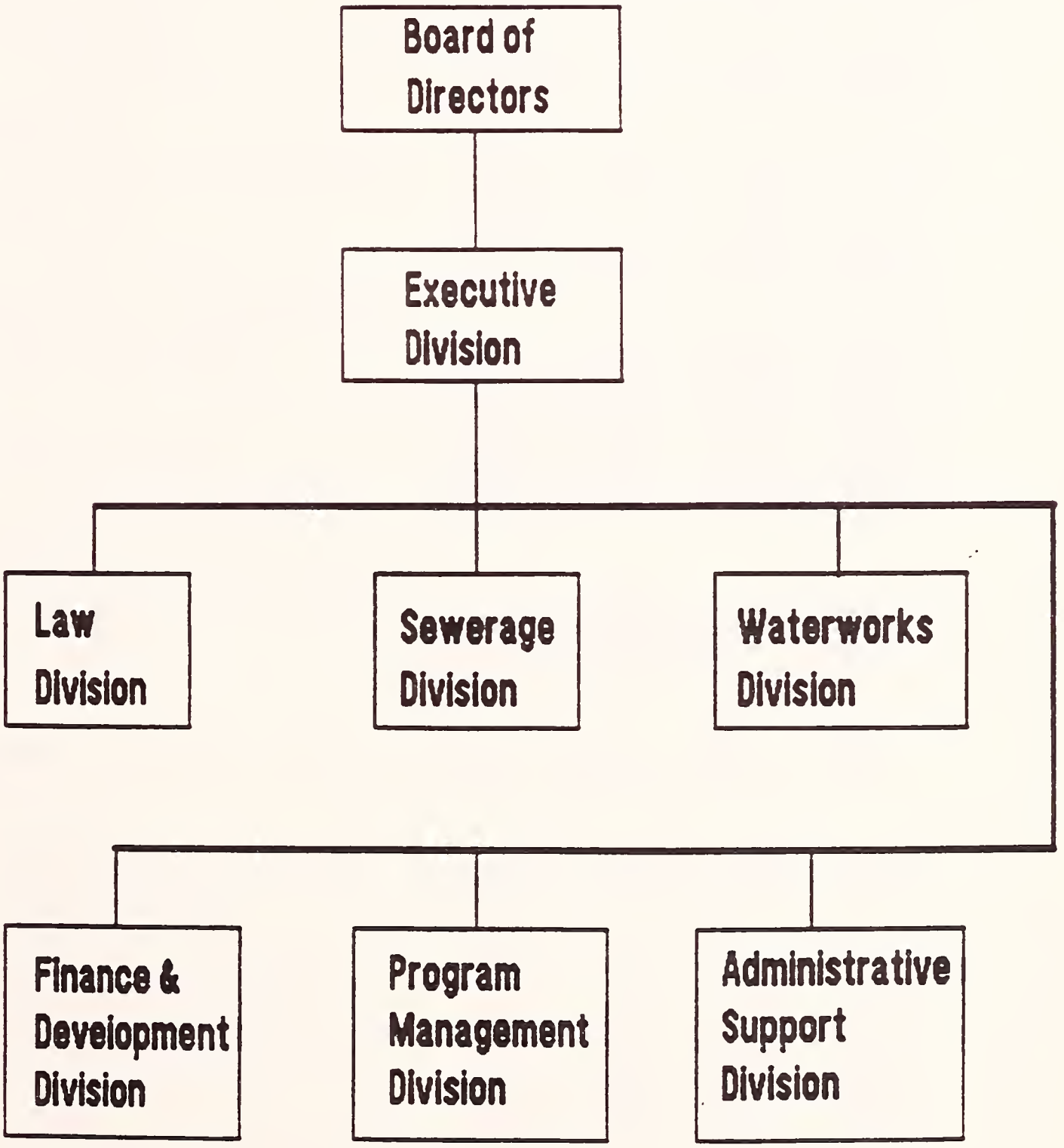
(6) The Authority's services to Lynn are provided to the Lynn Water and Sewer Commission.

(7) The Authority's services to Lynnfield are provided to the Lynnfield Water District.

Source: Official Statement of the
Massachusetts Water Resources Authority
Relating to $300,000,000 Guaranteed
Bond Anticipation Notes, 1989 Series A
April 19, 1989

APPENDIX C

MASSACHUSETTS WATER RESOURCES AUTHORITY



SOURCE: Proposed MWRA Current Expense Budget FY 90

Balance Sheets—

June 30, 1988 and 1987 (in thousands)

Assets	Sewer	Water	1988 Total	1987 Total
Current assets:				
Cash and short-term investments (Note D)	$ 9,659	$ 5,459	$ 15,118	$ 12,000
Accounts receivable	57	441	498	2,017
Materials and supplies (Note B)	4,644	1,185	5,829	5,604
Other current assets	31	16	47	127
Total current assets	14,391	7,101	21,492	19,748
Restricted assets:				
Cash and short-term investments (Note D)	142,516	38,907	181,423	112,935
Interest receivable	941	252	1,193	727
Grants receivable	24,387	—	24,387	5,076
Total restricted assets	167,844	39,159	207,003	118,738
Property, plant and equipment (Notes B and G):				
Property, plant and equipment	738,747	1,637,142	2,375,889	2,358,307
Less accumulated depreciation	(58,713)	(74,176)	(132,889)	(89,220)
	680,034	1,562,966	2,243,000	2,269,087
Construction in progress	165,930	19,274	185,204	70,667
Total property, plant and equipment	845,964	1,582,240	2,428,204	2,339,754
Other assets:				
Costs to be recovered from future revenues, net (Notes B and C)	6,616	(6,372)	244	21,667
Total assets	$1,034,815	$1,622,128	$2,656,943	$2,499,907

Liabilities	Sewer	Water	1988 Total	1987 Total
Current liabilities:				
Accounts payable and accrued expenses	$ 6,340	$ 1,890	$ 8,230	$ 6,950
Payable from restricted assets:				
Accounts payable for construction	13,770	1,901	15,671	3,128
Retainage on construction in progress	3,720	516	4,236	2,330
Accrued interest on bonds payable	4,926	1,037	5,963	3,950
Current portion of long-term debt (Note E)	11,553	3,576	15,129	16,258
Deferred credit (Notes B, C and D)	16,799	14,454	31,253	30,772
Total	50,768	21,484	72,252	56,438
Commitments and contingencies (Note K)				
Long-term debt, less current portion (Note E)	310,786	90,020	400,806	275,465
Total liabilities	367,894	113,394	481,288	338,853
FUND EQUITY				
Contributed capital (Note B)	666,921	1,508,734	2,175,655	2,161,054
Retained earnings	—	—	—	—
	666,921	1,508,734	2,175,655	2,161,054
Total liabilities and fund equity	$1,034,815	$1,622,128	$2,656,943	$2,499,907

The accompanying notes are an integral part of the financial statements.

Statements of Operations

for the years ended June 30, 1988 and 1987 (in thousands)

	Sewer	Water	1988 Total	1987 Total
Operating revenues:				
Customer services	$ 66,827	$ 35,692	$ 102,519	$ 92,906
Other	673	(5)	668	3,049
	67,500	35,687	103,187	95,955
Operating expenses:				
Operations	24,879	15,354	40,233	36,598
Maintenance	3,531	1,630	5,161	4,219
Payments in lieu of taxes (Note I)	—	537	537	507
Engineering and general and administrative	15,819	8,170	23,989	19,706
	44,229	25,691	69,920	61,030
Income from operations before depreciation	23,271	9,996	33,267	34,925
Depreciation (Note B)	18,667	25,016	43,683	45,102
Operating income (loss)	4,604	(15,020)	(10,416)	(10,177)
Regulatory accounting provisions (Notes B and C):				
Reserves recovered through rates	(135)	(346)	(481)	(7,520)
Change in costs to be recovered from future revenues	(15,640)	(5,783)	(21,423)	(21,981)
Nonoperating income and expenses:				
Operating grants	1,344	425	1,769	1,440
Interest income (Note F)	7,553	1,947	9,500	8,626
Interest expense and amortization (Note F)	(13,496)	(4,347)	(17,843)	(16,454)
Net loss	(15,770)	(23,124)	(38,894)	(46,066)
Inventory valuation adjustment (Note B)				4,679
Plus depreciation on property, plant and equipment funded by capital contributions (Note B)	15,770	23,124	38,894	41,387
Change in retained earnings	—	—	—	—

Statements of Changes in Fund Equity

for the years ended June 30, 1988 and 1987 (in thousands)

	Sewer	Water	Total
Fund equity as of June 30, 1986	$ 641,643	$ 1,552,085	$ 2,193,728
Grants in aid of construction (Note B)	13,392	—	13,392
Less inventory valuation adjustment (Note B)	(4,129)	(550)	(4,679)
Less depreciation on property, plant and equipment funded by capital contributions (Note B)	(17,407)	(23,980)	(41,387)
Fund equity as of June 30, 1987	633,499	1,527,555	2,161,054
Grants in aid of construction (Note B)	44,542	—	44,542
Capital contribution (Note E)	4,650	4,304	8,954
Less depreciation on property, plant and equipment funded by capital contributions (Note B)	(15,770)	(23,125)	(38,895)
Fund equity as of June 30, 1988	$666,921	$1,508,734	$2,175,655

The accompanying notes are an integral part of the financial statements.

A

Statements of Changes in Financial Position

for the years ended June 30, 1988 and 1987 (in thousands)

	1988	1987
Sources of working capital:		
Net loss	$(38,894)	$(46,066)
Items included in operations which do not require current working capital:		
Depreciation	43,683	45,102
Costs to be recovered from future revenues, net (Notes B and C)	21,423	21,981
Deferred credit (Notes B and C)	481	7,520
	26,693	28,537
Increases in long-term debt and fund equity:		
Other long-term debt	250,000	—
Capital grants for construction	44,542	13,392
Capital contribution (Note E)	8,954	—
Decrease in restricted assets, net of payable	—	19,258
Total working capital provided	330,189	61,187
Uses of working capital:		
Repayment of debt	125,789	23,991
Plant expenditures	132,133	36,933
Increase in restricted assets, net of payable	71,803	—
Total working capital used	329,725	60,924
Increase in working capital	$ 464	$ 263
Changes in components of working capital, excluding the current portion of long-term debt:		
Increase (decrease) in current assets:		
Cash	3,118	369
Accounts receivable	(1,519)	1,157
Materials and supplies	225	(4,535)
Other current assets	(80)	116
	1,744	(2,893)
(Increase) decrease in current liabilities, excluding the current portion of long-term debt:		
Accounts payable and accrued expenses	(1,280)	3,156
Increase in working capital	$ 464	$ 263

The accompanying notes are an integral part of the financial statements.

SOURCE: 1988 MWRA ANNUAL REPORT

APPENDIX E

HOUSE POST AUDIT BUREAU
ANALYSIS OF MWRA
OPERATING EXPENDITURES
FISCAL YEAR 1988
JULY 1, 1987 - JUNE 30, 1988

Sch. 1 Expenditure Summary

Sch. 2 Law Division

Sch. 3 Executive Division

Sch. 4 Sewerage Division

Sch. 5 Waterworks Division

Sch. 6 Finance & Development Division

Sch. 7 Engineering Division

Sch. 8 Construction Division

Sch. 9 Administrative Support Division

Sch. 10 Other Division

HOUSE POST AUDIT - SCHEDULE 1
MASSACHUSETTS WATER RESOURCES AUTHORITY
FY 1988 EXPENDITURE SUMMARY

Sub.	Description	Authority Total	DIVISION TOTALS: Law	Executive	Sewerage	Waterworks
01	Salaries & Wages	$32,998,403	$785,153	$2,252,352	$14,082,276	$ 8,621,830
02	Overtime	2,563,749	3,802	27,531	1,905,659	470,066
03	Fringe Benefits	2,883,136	-	2,693,478	71,414	30,784
04	Workers Comp.	642,027	142	3	534,433	75,553
05	Chemicals	3,014,046	-	-	2,077,794	935,502
06	Utilities	5,059,843	-	-	2,795,365	1,806,855
07	Ongoing Maintenance	3,276,254	-	-	2,304,891	841,097
08	New Maintenance	702,912	-	809	339,590	200,720
09	Ed. Training & Meet.	433,268	12,363	128,768	54,941	41,990
10	Professional Serv.	3,362,625	165,278	661,815	1,244,410	656,680
11	Other Materials	2,052,851	12,295	55,121	760,214	501,815
12	Other Services	5,764,936	13,634	465,927	1,799,416	416,781
13	Insurance	1,251,110	-	-	(18,977)	(8,451)
14	Reimbursements	2,441,962	-	-	-	-
15	Debt Service	0	-	-	(3,625,433)	(2,416,956)
16	Capital Outlay	550,000	-	-	-	-
17	Other	3,023,356		3,386	1,864,279	1,180,230
	Total	$70,020,478	$992,667	$6,289,190	$26,190,272	$13,354,496

Sub.	Description	DIVISION TOTALS CONTINUED: Fin. & Devel.	Engineering	Construction	Admin. Sup.	Other
01	Salaries & Wages	$1,743,190	$2,462,236	$1,719,850	$1,111,575	$ 219,941
02	Overtime	8,243	5,949	92,837	20,676	28,986
03	Fringe Benefits	86,007	-	1,242	211	-
04	Workers Comp.	261	42	30,026	1,567	-
05	Chemicals	-	-	-	-	750
06	Utilities	-	-	2,307	188,027	267,289
07	Ongoing Maintenance	-	3,604	2,309	102,731	21,622
08	New Maintenance	-	-	4,445	154,727	2,621
09	Ed. Training & Meet.	37,586	30,250	10,639	116,731	-
10	Professional Serv.	440,737	42,430	39,428	68,308	43,539
11	Other Materials	28,334	64,503	88,570	528,211	13,788
12	Other Services	281,055	114,686	35,323	2,602,766	35,348
13	Insurance	613	-	-	2,106	1,275,819
14	Reimbursements	-	-	-	-	2,441,962
15	Debt Service	-	-	-	-	6,042,389
16	Capital Outlay	-	-	-	-	550,000
17	Other	(91,615)	16,692	408	326	49,650
	Total	$2,534,411	$2,740,392	$2,027,384	$4,897,962	$10,993,704

HOUSE POST AUDIT - SCHEDULE 2
MASSACHUSETTS WATER RESOURCES AUTHORITY
LAW DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total
01	Wages & Salaries	$785,153
02	Overtime	3,802
04	Workers Comp	
	Med. Payments	142
09	Ed. Train. & Meetings	12,363
10	Professional Services	
	Legal	162,080
	Other	3,198
11	Other Materials	
	Equip./Furniture	65
	Veh. Purchase/Replace	6
	Vehicle Expense	1,149
	Other Materials	11,075
12	Other Services	
	Membership-Dues-Subscription	4,503
	Other Services	9,131
	TOTAL	$992,667

A

HOUSE POST AUDIT - SCHEDULE 3
MASSACHUSETTS WATER RESOURCES AUTHORITY
EXECUTIVE DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total	Bd. of Directors	Executive Office	Internal Audit	Public Affairs	Affirmative Action	Advisory Board	Personnel & Labor Relations
01	Wages & Salaries	$2,252,352	$ 48,112	$341,996	$292,515	$607,104	$293,290		$ 669,335
02	Overtime	27,531	1,725	5,120	74	6,750	3,776		10,086
03	Fringe Benefits								
	Overtime Meals	6,300							6,300
	Health Insurance	2,347,832		3,389					2,344,443
	Dental Insurance	314,980							314,980
	Unemploy. Compen	24,366							24,366
04	Workers Compensation	3		3					
08	New Maintenance	809		809					
09	Ed., Train. & Meetings								
	Tuition Reimburse. Training & Meetings	128,768	18,128	12,037	8,876	17,870	50,370		21,487
10	Professional Services								
	Engineering	7,650		7,650					
	Legal	80,002							80,002
	Audit	38,836			38,836				
	Communications	126,453				126,453			
	Other	408,874	24,610	141,029			10,942		232,293
11	Other Materials								
	Office Supplies	709			50	31	628		
	Health Safety	23,188							23,188
	Equip./Furniture	10,314	487	995		5,659			3,173
	Veh. Purch./Replace	46	46						
	Work Clothes	139					139		
	Vehicle Expense	14,793	5,452	1,460	872	5,224	1,656		129
	Other Materials	5,932	755	134	1,369	2,946			728
12	Other Services								
	Printing/Dupli.	42,333	1,500		773	24,033	8,208		7,819
	Telephone	3,633	1,408	2,225					
	Memb./Dues/Subscrip.	11,564	136	279	1,123	3,204	4,813		2,009
	Advertising	267,085				1,842	29,790		235,453
	Space Lease/Rentals	40				40			
	Other Rentals	1,371	260	83		848			180
	Other Services	139,901	6,620	356		13,945	17,128	101,000	852
17	Other								
	Claims/Damages	3,386							3,386
	TOTAL	$6,289,190	$109,239	$517,565	$344,488	$815,949	$420,740	$101,000	$3,980,209

HOUSE POST AUDIT - SCHEDULE 4
MASSACHUSETTS WATER RESOURCES AUTHORITY
SEWERAGE DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total	Dir. Office	Toxic Reduction & Control	Wastewater Eng. & Const.	Pumping	Collections	Nut Island	Deer Island	Clinton
01	Wages & Salaries	$14,082,276	$951,412	$1,440,883	$387,713	$3,006,013	$ 1,271,495	$1,844,843	$4,863,179	$316,738
02	Overtime	1,905,659	8,325	20,566	7,913	308,969	92,496	291,465	1,156,713	19,212
03	Fringe benefits									
	Overtime Meals	53,828	181	124	60	7,883	2,717	8,461	33,898	504
	Health Insurance	17,586	17,586							
04	Workers Comp.	534,433	534,433							
05	Chemicals									
	Sodium ASH	12,539						10,616	1,923	
	Sodium Hypoclorite	32,992				19,345	5,455	388	1,725	6,079
	Sodium Hydroxide	(170,928)	(170,988)			60				
	Chlorine	2,198,334						703,834	1,494,500	
	Other	4,857				(18,937)	5,793	3,689	13,523	789
06	Utilities									
	Fuel Oil	1,781,725				181,307	205	78,217	1,515,924	6,072
	Natural Gas	344						202	142	
	Electricity	841,007				278,826	31,070	392,499	138,612	
	Water	123,366				11,020	3,743	59,419	49,054	130
	Other	48,923				8,759	1,274	3,062	35,828	
07	Ongoing Maintenance									
	Cleaning & Grds. Mat.	109,852				24,697	18,229	15,060	50,137	1,730
	Cleaning & Grds. Services	37,772					5,254	11,728	20,790	
	Automotive Materials	46,820		641		977	18,068	2,797	24,133	204
	Automotive Services	20,622		1,035		3,432	14,550	180	1,243	182
	Building Materials	89,380				1,215	18,547	38,290	31,321	7
	Building Services	3,574				1,914	1,311	108	241	
	Plant & Mach. Material	1,318,063				142,064	15,156	411,620	734,786	14,437
	Plant & Mach. Services	444,798				74,947	339	53,656	315,737	119
	Pipeline Materials	141,117				215	59,712	40,815	40,374	
	Pipeline Services	479				387			92	
	Spec. Equip. Material	29,830				1,982	703	413	26,732	
	Spec. Equip. Service	14,005		1,653		3,933	1,869	2,654	3,896	
	Other Materials	8,116				82				8,034
	Other Services	40,463			14,652	537	249		25,025	
08	New Maintenance									
	Cleaning & Grds. Material	24,231				4,217	13,185		6,829	
	Cleaning & Grds. Services	25,861				4,941	15,000		5,920	
	Automotive Materials	2,683				439			2,244	
	Automotive Services	16,365		3,779		1,349	11,237			
	Building Materials	11,142					316		10,826	
	Building Services	5,648					1,750		3,898	
	Plant & Mach. Material	76,072				42,637	9,198	3,005	20,467	765
	Plant & Mach. Services	35,062				1,575	3,000		29,721	766
	Pipeline Services	108,354					108,354			
	Spec. Equip. Material	4,583				200	18		4,365	
	Spec. Equip. Services	3,765				29	2,508		1,228	
	Other Materials	15,499					1,580	1,830	11,705	384
	Other Services	10,325				69			9,495	761
	Subtotal	$24,111,422	$1,340,949	$1,468,681	$410,338	$4,115,083	$1,734,181	$3,978,851	$10,686,226	$376,913

HOUSE POST AUDIT.- SCHEDULE 4 (CONT.)
MASSACHUSETTS WATER RESOURCES AUTHORITY
SEWERAGE DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total	Dir. Office	Toxic Reduction & Control	Wastewater Eng. & Const.	Pumping	Collections	Nut Island	Deer Island	Clinto
	Balance Forward	$24,111,422	$1,340,949	$1,468,681	$410,338	$4,115,083	$1,734,381	$3,978,851	$10,686,226	$376,913
09	Education Train. & Meetings									
	Tuition Reimbursement	54,941	18,999	10,363	1,818	2,666	2,251	3,629	15,014	201
10	Professional Services									
	Engineering	191,824			108,914	2,124			71,544	9,242
	Lab & Testing	917,345		909,505					7,840	
	Other	40,930		18,280	8,500		11,750		2,400	
	Security	4,311				3,972	339			
	Construction Services	90,000				90,000				
11	Other Materials									
	Office Supplies	42,772	1,220		277	8,076	1,004	10,787	21,253	155
	Postage	1,402				101	100	220	981	
	Lab. & Test. Supplies	187,610		76,209	452	66		48,599	60,444	1,840
	Health & Safety	51,924		1,745		4,180	7,526	14,852	23,621	
	Equip./Furniture	82,397	3,442	16,388		6,134	11,288	7,030	35,564	2,551
	Work Clothes	185,361		3,250		47,381	19,995	27,137	82,033	5,565
	Vehicle Expense	64,009	899	11,517	744	6,841	12,860	11,873	19,084	191
	Other Materials	144,739	119,429	736				134	24,346	94
12	Other Services									
	Printing/Duplication	22,357	692	4,937	909	1,504	2,860	5,254	6,024	177
	Health Safety	3,411					2,276		575	560
	Telephone	82,886	2,181	713		22,854	9,828	5,191	40,597	1,522
	Membership/Dues/Subs.	13,905	7,069	2,353	303	820	613	389	2,358	
	Space Lease/Rentals	10,285						3,815	6,470	
	Moving Freight	13,047		406		138	324	2,316	9,742	121
	Other Rentals	95,627	89,833				3,335	430	2,029	
	Other Services	1,557,898	1,101	2,151		150	42,668	298,538	1,213,115	175
13	Insurance									
	Premiums	(24,724)	(24,724)				1,091			
	Payments	5,624	4,533							
	Fees	123	123							
15	Debt Service									
	Commonw. Bonds-Sewer	(3,625,433)	(3,625,433)			-				
17	Other									
	Capital Items Expen.	1,864,279	1,864,279							
	Total	$26,190,272	($195,408)	$2,527,234	$532,255	$4,312,090	$1,864,489	$4,419,045	$12,331,260	$399,307

HOUSE POST AUDIT - SCHEDULE 5
MASSACHUSETTS WATER RESOURCES AUTHORITY
WATERWORKS DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total	Dir. Office	Maintenance Eng. & Const.	Metropolitan	Water Supply	Resource Const. & Mgmt.
01	Wages & Salaries	$8,621,830	$ 590,519	$ 988,459	$4,211,328	$2,831,524	$
02	Overtime	470,066	1541	1,384	300,619	166,522	
03	Fringe Benefits						
	Overtime Meals	20,892			15,270	5,568	54
	Health Insurance	9,892	9,892				
04	Workers Comp.						
	Comp. Payments	57,005	57,005				
	Med. Payments	13,548	13,517			31	
	Settlements	5,000	5,000				
05	Chemicals						
	Anhydrous Ammonia	29,193				29,193	
	Hydroflousilicic Acid	233,953			2,066	231,887	
	Copper Sulfate	16,421				16,421	
	Sodium Hydroxide	467,511	(111,035)			578,546	
	Calcium Hypochlorite	1,445				1,445	
	Chlorine	238,225				238,225	
	Other	(51,246)				(51,913)	667
06	Utilities						
	Fuel Oil	198,723			181,316	17,407	
	Natural Gas	3,832			1,626	2,206	
	Electricity	1,244,309			1,214,196	30,113	
	Water	509			13	496	
	Other	359,482	354,875		3,430	249	928
07	Ongoing Maintenance						
	Cleaning & Grds. Mater.	42,252			16,085	26,167	
	Cleaning & Grds. Serv.	8,060			5,069	2,991	
	Automotive Materials	45,450		180	15,674	29,596	
	Automotive Services	16,855			12,818	4,037	
	Building Materials	100,515			57,795	42,720	
	Building Services	3,501				3,501	
	Plant & Mach. Materials	58,260			18,699	39,561	
	Plant & Mach. Service	21,284			7,747	13,537	
	Pipeline Materials	111,071			110,861	210	
	Pipeline Services	221,795			221,795		
	Special Equip. Material	28,763			28,763		
	Special Equip. Service	123,554	22,113		62,553	38,888	
	Other Materials	52,550			51,600	950	
	Other Services	7,187			7,187		
	Subtotal	$12,781,687	$ 943,427	$ 990,023	$6,546,510	$4,300,078	$1,649

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HOUSE POST AUDIT - SCHEDULE 5 (CONT.)
MASSACHUSETTS WATER RESOURCES AUTHORITY

Sub.	Description	Total	Dir. Office	Maintenance Eng. & Const.	Metropolitan	Water Supply	Resource Const. & Mgmt.
	Balance Forward	$12,781,687	$ 943,427	$ 990,023	$6,546,510	$4,300,078	$1,649
08	New Maintenance						
	Buiding Services	69,034		69,034			
	Plant & Mach. Material	26,988			26,988		
	Pipeline Materials	11,131			11,131		
	Spec. Equip. Material	79,695			79,695		
	Spec. Equip. Services	6,906		4,752	2,154		
	Other Services	6,966			6,966		
09	Education Train. & Meet.						
	Tuition Reimbursement	41,990	17,861	12,019	7,860	4,250	
10	Professional Services						
	Engineering	203,895		151,970		51,925	
	Lab & Testing	2,000				2,000	
	Communications	260,956		260,956			
	Other	18,198		17,997		201	
	Security	145,970			143,711	2,259	
	Resident Insp. Service	25,029		25,029			
	Construction Services	632			632		
11	Other Materials						
	Office Supplies	21,353			9,799	11,554	
	Postage	2,836			1,494	1,342	
	Lab & Test. Supplies	17,589				17,589	
	Health/Safety	36,118	8,184		17,717	10,217	
	Equip./Furniture	122,285	2,449	56	62,100	57,680	
	Work Clothes	107,770			65,174	42,596	
	Vehicle Expense	75,037	1,470	2,444	47,044	24,079	
	Other Materials	118,827	117,527		1,300		
12	Other Services						
	Printing/Duplication	150,743	464	138,883	6,853	4,543	
	Health/Safety	732	58			674	
	Telephone	106,955	40,670		29,818	36,467	
	Membership/dues/Subscr.	68,663	68,663				
	Advertising	27,200	27,000	200			
	Moving/Freight	3,612	3,537		75		
	Other Rentals	11,317	605		4,968	5,744	
	Other Services	47,559	6,222		39,039	2,298	
13	Insurance						
	Premiums	(13,908)	(13,908)				
	Payments	5,457	2,038		3,419		
15	Debt Service						
	Comm Bonds/Water	(2,416,956)	(2,416,956)				
17	Other						
	Capital Items Expensed	962,661	962,661				
	Claims/Damages	217,569	215,000		2,569		
	Total	$13,354,496	$ (13,028)	$1,673,363	$7,117,016	$4,575,496	$1,649

HOUSE POST AUDIT - SCHEDULE 6
MASSACHUSETTS WATER RESOURCES AUTHORITY
FINANCE & DEVELOPMENT DIVISION
FY 1988 EXPENDITURES

Sub	Description	Total	Dir. Office	Budget	Treasury	Procurement	Development
01	Wages & Salaries	$ 1,743,190	$143,819	$443,154	$ 652,370	$457,217	$46,630
02	Overtime	8,243	1,775	1,481	145	4,791	51
03	Fringe Benefits						
	Health Ins.	86,007			86,007		
04	Workers Comp.	261	261				
09	Education/Train./Meet.						
	Tuition Reimbur.	37,586	12,242	7,333	13,500	4,383	128
10	Professional Services						
	Audit	13,847			13,847		
	Communications	50				50	
	Other	426,840	23,493	55,294	346,753	800	500
11	Other Materials						
	Office Supplies	2,628	100	587	1,065	769	107
	Postage	49			49		
	Health/Safety	2,970			2,970		
	Equip./Furniture	7,478		948	4,658	1,872	
	Vehicle Exp.	1,521	115		982	424	
	Other Materials	13,688	29		13,083	432	144
12	Other Services						
	Printing/Dupli.	39,140		16,099	6,705	16,336	
	Data Process.	142,539			142,539		
	Memb./Dues/Pub.	3,750	504	232	1,094	1,920	
	Advertising	94,241			265	93,976	
	Other Rentals	321			321		
	Other Services	1,064		1,000	64		
13	Insurance						
	Fees	613			613		
17	Other						
	Capitol Items Exp.	(91,615)	(91,615)				
	TOTAL	$2,534,411	$90,723	$526,128	$1,287,030	$582,970	$47,560

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HOUSE POST AUDIT - SCHEDULE 7
MASSACHUSETTS WATER RESOURCES AUTHORITY
ENGINEERING DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total
01	Wages & Salaries	$2,462,236
02	Overtime	5,949
04	Workers Compensation	
	Med. Payments	42
07	Ongoing Maintenance	
	Automotive Services	150
	Special Equipment Material	10
	Special Equipment Service	3,444
09	Education Train. Meeting	30,250
10	Professional Services	
	Engineering	27,429
	Other	14,321
	Security	680
11	Other Materials	
	Office Supplies	2,489
	Equip./Furniture	28,871
	Vehicle Exp.	9,503
	Other Material	23,640
12	Other Services	
	Printing/Duplicating	39,018
	Telephone	340
	Membership/Dues/Subscription	3,132
	Advertising	61,000
	Space/Lease/Rental	1,878
	Moving/Freight	333
	Other Rentals	85
	Other Services	8,900
17	Other	
	Claims/Damages	16,692
	TOTAL	$2,740,392

HOUSE POST AUDIT - SCHEDULE 8
MASSACHUSETTS WATER RESOURCES AUTHORITY
CONSTRUCTION DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total
01	Wages & Salaries	$1,719,850
02	Overtime	92,837
03	Fringe Benefits	
	Overtime Meals	1,242
04	Workers Comp.	
	Comp. Payments	20,479
	Med. Payments	9,547
06	Utilities	
	Natural Gas	570
	Electricity	1,737
07	Ongoing Maintenance	
	Spec. Equip. Services	2,285
	Other Materials	24
08	New Maintenance	
	Cleaning & Grds. Serv.	3,605
	Automotive Service	205
	Spec. Equip. Serv.	635
09	Education-Train.-Meeting	10,639
10	Professional Services	
	Engineering	25,000
	Other	14,428
11	Other Materials	
	Office Supplies	21,724
	Health/Safety	814
	Equip./Furniture	7,333
	Work Clothes	19,102
	Vehicle Exp.	37,832
	Other Materials	1,765
12	Other Services	
	Printing/Duplicating	9,990
	Health/Safety	683
	Telephone	5,000
	Membership/Dues/Subscription	265
	Space Lease Rental	8,250
	Moving-Freight	650
	Other Rentals	7,020
	Other Services	3,465
17	Capital Items Exp.	408
	TOTAL	$2,027,384

HOUSE POST AUDIT - SCHEDULE 9
MASSACHUSETTS WATER RESOURCES AUTHORITY
ADMINISTRATIVE SUPPORT DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total	Dir. Office	Vehicle Maint.	Mgmt. Inf.Sys.	Admin. Services
01	Salaries & Wages	$1,111,575	$27,643	$257,938	$330,986	$495,008
02	Overtime	20,676	1,624	1,122	2,456	15,474
03	Fringe Benefits					
	Overtime Meals	211			125	86
04	Workers Compensation					
	Compensation Payments	1,099				1,099
	Medical Payments	468				468
06	Utilities					
	Fuel Oil	10,298		10,298		
	Electricity	177,729		72,504		105,225
07	Ongoing Maintenance					
	Cleaning & Grds. Material	159				159
	Cleaning & Grds. Services	675				675
	Automotive Services	911				911
	Building Material	6,768				6,768
	Building Services	15,609				15,609
	Specialized Equip. Serv.	78,424		266	12,758	65,400
	Other Services	185		125		60
08	New Maintenance					
	Cleaning & Grds. Material	11,277		11,277		
	Cleaning & Grds. Services	7,395		7,395		
	Automotive Material	111,921		111,816		105
	Automotive Services	1,265		1,265		
	Building Material	3,362		1,610		1,752
	Building Services	6,361		1,716		4,645
	Specialized Equip. Maint.	6,396		59	6,337	
	Specialized Equip. Service	6,358		512	5,788	58
	Other Services	392		96		296
09	Education Train. & Meeting					
	Tuition Reimbursement	116,731		30	114,450	2,251
	Subtotal	$1,696,245	$29,267	$478,029	$472,900	$716,049

HOUSE POST AUDIT - SCHEDULE 9 (CONT.)
MASSACHUSETTS WATER RESOURCES AUTHORITY
ADMINISTRATIVE SUPPORT DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total	Dir. Office	Vehicle Maint.	Mgmt. Inf.Sys.	Admin. Services
	Balance Forward	$1,696,245	$29,267	$478,029	$472,900	$ 716,049
10	Professional Services					
	Other	25,380		7,040		18,340
	Security	42,928				42,928
11	Other Materials					
	Office Supplies	283,859	4	3,261	2,178	278,416
	Postage	101,897		98		101,799
	Health Safety	1,874		1,874		
	Equip./Furniture	99,940		34,129	1,714	64,097
	Work Clothes	3,583		3,583		
	Vehicle Expense	18,635	2,446	381	175	15,633
	Other Materials	18,423		895		17,528
12	Other Services					
	Printing Duplications	55,538	29	1,353	9,414	44,742
	Telephone	179,708		31		179,677
	Membership/Dues/Publ.	13,139		439	6,593	6,107
	Space/Lease/Rentals	2,217,397		321,297		1,896,100
	Moving/Freight	10,842		164		10,678
	Other Rentals	93,513		5,382	23,569	64,562
	Other Services	32,629		6,253	7	26,369
13	Insurance					
	Payments/Claims	2,106		981		1,125
17	Other					
	Capital Items Expensed	75			75	
	Claims/Damages	251				251
	TOTAL	$4,897,962	$31,746	$865,190	$516,625	$3,484,401

HOUSE POST AUDIT - SCHEDULE 10
MWRA - OTHER DIVISION
FY 1988 EXPENDITURES

Sub.	Description	Total	Debt. Service Waterworks	Debt. Service Sewerage	Insurance	Watershed	Taxes in Lieu	Other	Shipyard Caretaking
01	Wages & Salaries	$ 219,941							$219,941
02	Overtime	28,986							28,986
05	Chemicals								
	Other	750							750
06	Utilities								
	Fuel Oil	23,552							23,552
	Natural Gas	206							206
	Electricity	180,418							180,418
	Water	63,113							63,113
07	Ongoing Maintenance								
	Clean & Grds. Material	487							487
	Clean & Grds. Service	304							304
	Automotive Materials	3,197							3,197
	Automotive Services	550							550
	Building Material	14,525							14,525
	Building Services	1,173							1,173
	Plant & Mach. Material	633							633
	Spec. Equip. Material	71							71
	Spec. Equip. Service	682							682
08	New Maintenance								
	Automotive Material	315							315
	Automotive Services	500							500
	Plant & Mach. Material	105							105
	Spec. Equip. Material	766							766
	Spec. Equip. Service	935							935
10	Professional Services								
	Engineering								
	Lab & Testing	495							495
	Other	43,044							43,044
11	Other Materials								
	Office Supplies	1,480							1,480
	Health/Safety	113							113
	Equip./Furniture	5,227							5,227
	Work Clothes	2,433							2,433
	Vehicle Exp.	3,887							3,887
	Other Materials	648							648
12	Other Services								
	Printing/duplicating	1,573							1,573
	Telephone	3,791							3,791
	Space/Lease/Rental	733							733
	Moving/Freight	511							511
	Other Rentals	28,740							28,740
13	Insurance								
	Premiums	1,178,318			1,178,318				
	Payments	24,958			24,958				
	Fees	58,156			58,156				
	Other	14,387			14,387				
14	Reimbursements								
	Watershed	1,905,111				1,905,111			
	Payment in Lieu of Taxes	536,851					536,851		
15	Debt Service								
	Comm. Bonds Water	2,267,881	2,267,881						
	Comm. Bonds Sewer	3,774,508		3,774,508					
16	Capital Outlay								
	Other	550,000						550,000	
17	Other								
	Claims/Damages	49,650			23,700			25,950	
TOTAL		$10,993,704	$2,267,881	$3,774,508	$1,299,519	$1,905,111	$536,851	$575,950	$633,884

APPENDIX F

HOUSE POST AUDIT BUREAU
ANALYSIS OF MWRA
OPERATING EXPENSES
FISCAL YEAR 1989 (6 MOS.)
JULY 1, 1988 - DEC. 31, 1988

Sch. 11 Expenditure Summary

Sch. 12 Law Division

Sch. 13 Executive Division

Sch. 14 Sewerage Division

Sch. 15 Waterworks Division

Sch. 16 Finance & Development Division

Sch. 17 Deer Island Program Management

Sch. 18 Administrative Support Division

Sch. 19 Other Division

HOUSE POST AUDIT - SCHEDULE 11
MASSACHUSETTS WATER RESOURCES AUTHORITY
FY 1989 EXPENDITURE SUMMARY
JULY 1, 88 - DEC. 31, 88

Sub.	Description	Authority Total	Law	Executive	Sewerage	Waterworks
			--------DIVISION TOTALS--------			
01	Wages & Salaries	$19,930,327	$485,659	$1,515,769	$8,610,645	$6,062,785
02	Overtime	1,476,190	115	9,170	1,065,468	335,622
03	Fringe Benefits	1,580,573	6	1,570,368	9,469	602
04	Workers Comp.	318,631	-	-	267,749	46,539
05	Chemicals	2,514,108	-	-	1,198,948	1,313,727
06	Utilities	2,198,640	-	-	1,233,891	750,951
07	Ongoing Maintenance	1,551,685	-	-	1,101,388	248,511
08	New Maintenance	172,043	-	-	145,964	20,108
09	Ed. Training & Meet.	218,285	7,018	49,864	25,765	36,679
10	Professional Serv.	1,066,592	24,401	225,319	398,693	163,849
11	Other Materials	681,713	3,249	10,946	277,918	176,535
12	Other Services	3,507,722	10,189	222,011	722,222	115,987
13	Insurance	2,214,616	-	-	25,509	12,764
14	Reimbursements	2,802,406	-	-	-	-
15	Debt Service	2,841,662	-	-	-	-
17	Other	(125,289)	-	-	(272,570)	147,281
18	Computer Services	59,098	-	-	37,819	21,279
19	Mitigation	533,407	-	-	-	-
	Total	$43,542,409	$530,637	$3,603,447	$14,848,878	$9,453,219

Sub.	Description	Fin. & Devel.	Deer Island	Admin. Sup.	Other
		--------DIVISION TOTALS CONTINUED--------			
01	Wages & Salaries	$1,364,557	$476,224	$1,170,012	$ 244,676
02	Overtime	4,754	2,122	57,846	1,093
03	Fringe Benefits	-	-	128	-
04	Workers Comp.	-	-	4,343	-
05	Chemicals	-	-	1,433	-
06	Utilities	-	-	213,798	-
07	Ongoing Maintenance	10	-	201,776	-
08	New Maintenance	-	-	5,971	-
09	Ed. Training & Meet.	14,675	14,179	67,567	2,538
10	Professional Serv.	183,608	10,634	58,667	1,421
11	Other Materials	4,022	6,374	201,722	947
12	Other Services	123,137	3,481	2,307,692	3,004
13	Insurance	49,734	-	-	2,126,609
14	Reimbursements	-	-	-	2,802,406
15	Debt Service	-	-	-	2,841,662
17	Other	-	-	-	-
18	Computer Services	-	-	-	-
19	Mitigation	-	-	-	533,407
	Total	$1,744,497	$513,014	$4,290,955	$8,557,763

HOUSE POST AUDIT - SCHEDULE 12
MASSACHUSETTS WATER RESOURCES AUTHORITY
LAW DIVISION
FY 1989 - JULY 1, 88 - DEC. 31, 88

Sub.	Description	Total
01	Wages and Salaries	$485,659
02	Overtime	115
03	Fringe Benefits	
	Overtime Meals	6
09	Ed. Training & Meetings	
	Tuition Reimbursement	(100)
	Training & Meetings	7,118
10	Professional Services	
	Legal	18,698
	Other	5,703
11	Other Materials	
	Office Supplies	15
	Vehicle Expense	595
	Other Materials	2,639
12	Other Services	
	Print./Duplication	117
	Memb./Dues/Subsc.	5,072
	Other Services	5,000
Total		$530,637

HOUSE POST AUDIT - SCHEDULE 13
MASSACHUSETTS WATER RESOURCES AUTHORITY
EXECUTIVE DIVISION
FY 1989 - JULY 1, 88 - DEC. 31, 88

Sub.	Description	Total	Bd. of Directors	Exec. Office	Internal Audit	Public Affairs	Affirmative Action	Advisory Board	Personnel & Lab. Rel.
01	Wages & Salaries	$1,515,769	$20,384	$320,174	$180,707	$425,973	$164,831	$	$ 403,700
02	Overtime	9,170	142	261		859	1,799		6,109
03	Fringe Benefits								
	Health Ins.	1,267,132		2,022					1,265,110
	Dental Ins.	156,483							156,483
	Unemploy. Comp.	11,840							11,840
	Medicare	134,913							134,913
09	Ed. Train. & Meetings								
	Tuition Reimb.	2,954	(179)		419	1,867			847
	Train. & Meetings	46,910	5,866	9,288	5,052	9,800	11,613		5,291
10	Professional Services								
	Engineering	15,359		15,359					
	Lab & Testing	6,526		6,526					
	Legal	19,132							19,132
	Audit	5,865			5,865				
	Communications	41,652				39,652			2,000
	Other	136,785	2,714	46,244					87,827
11	Other Materials								
	Office Supplies	297				26	271		
	Lab & Testing	70		70					
	Health/Safety	1,418							1,418
	Equip./Furniture	1,863			675	1,188			
	Vehicle Expense	5,191	1,203	1,061	1,339	1,382			206
	Other Mat.	2,107	467	706	347	400			187
12	Other Services								
	Printing/Dupli.	16,227	15			10,606	1,098		4,508
	Telephone	1,551	729	659		163			
	Membership/Dues	5,091	136	509	400	1,132	1,396		1,518
	Advertising	67,739				815	1,450		65,474
	Other Rentals	676				766			(90)
	Other Services	130,727	973	18		3,742		125,880	114
	Total	$3,603,447	$32,450	$402,897	$194,804	$498,371	$182,458	$125,880	$2,166,587

HOUSE POST AUDIT - SCHEDULE 14
MASSACHUSETTS WATER RESOURCES AUTHORITY
SEWERAGE DIVISION
FY 89 JULY 1, 88 - DEC. 31, 88

Sub.	Description	Total	Director Office	Toxic Reduc.& Cont.	Wastewater Eng. & Const.	Pumping	Collections	Nut Island	Deer Island	Operating Expenses	Clinton
01	Wages & Salary	$8,610,645	$99,013	$ 794,225	$ 951,358	$1,638,873	$763,768	$1,069,061	$2,797,744	$334,269	$162,334
02	Overtime	1,065,468	2,079	12,975	23,450	170,516	35,847	150,855	622,786	34,091	12,869
03	Fringe Benefits										
	Overtime Meals	27,055	55	45	529	4,110	917	4,295	16,612	225	267
	Health Ins.	(17,586)	(17,586)								
04	Workers Comp.										
	Comp. Payments	196,285	188,357		7,928						
	Med. Payments	53,598	52,872		726						
	Settlements	17,866	17,866								
05	Chemicals										
	Sodium Ash	26,275						26,275			
	Sodium Hypochlorite	32,096				26,560	3,685				1,851
	Calcium Hypochlorite	5,655					3,780		1,875		
	Chlorine	1,098,537						303,030	795,507		
	Other	36,385				17,412	494	8,333	10,146		
06	Utilities										
	Fuel Oil	660,588				59,589	92	30,087	569,762		1,058
	Natural Gas	518			28				490		
	Electricity	396,985				125,767	10,997	189,056	71,165		
	Water	50,986				4,227	1,425	28,708	16,559		67
	Oxygen	2,277					27	230	2,020		
	Acetelyn	341				271			70		
	Other	122,196				22,694	369	23,193	75,940		
07	Ongoing Maint.										
	Clean. & Grds. Mat.	81,899				28,488	9,835	12,055	31,249		272
	Clean. & Grds. Ser.	23,317					7,026	7,800	8,491		
	Auto. Materials	12,326					330	800	11,196		
	Auto. Services	688					15	433	240		
	Building Materials	40,244				60	7,492	15,521	17,171		
	Building Services	11,852					628	299	10,925		
	Plant & Mach. Mat.	567,567				70,442	4,577	208,719	277,850		5,979
	Plant & Mach. Ser.	217,280				29,986		17,729	169,565		
	Pipeline Mat.	72,491				1,885	27,429	24,302	18,875		
	Pipeline Ser.	200						175	25		
	Spec. Equip. Mat.	6,929				201	409	1,943	4,376		
	Spec. Equip. Ser.	4,716		140	64		4,168	344			
	Other Materials	1,594			36	80	63	80	177		1,158
	Other Services	60,285			11,547		699		48,039		
08	New Maintenance										
	Clean & Grds. Mat.	3,564				307			3,257		
	Clean & Grds. Ser.	22,080			2,150				19,555	375	
	Building Materials	4,991				4,727			264		
	Building Services	1,888				1,888					
	Plant & Mach. Mat.	95,842				27,239	1,054	38,231			29,318
	Pipeline Services	4,313					4,313				
	Spec. Equip. Mat.	1,647						1,647			
	Spec. Equip. Ser.	228							228		
	Other Materials	1,152							1,152		
	Other Services	10,259							8,634		1,625
09	Ed. Train. & Meeting										
	Tuition Reimburse.	1,939	352	1,500				87			
	Train. & Meet.	23,826	5,883	5,932	7,536	794	465	408	2,623	165	20
	Subtotal	$13,659,287	$348,891	$ 814,817	$1,005,359	$2,236,116	$880,807	$2,163,696	$4,854,528	$369,125	$213,748

HOUSE POST AUDIT - SCHEDULE 14 (CONT.)
MASSACHUSETTS WATER RESOURCES AUTHORITY
SEWERAGE DIVISION

Sub.	Description	Total	Director Office	Toxic Reduc.& Cont.	Wastewater Eng. & Const.	Pumping	Collections	Nut Island	Deer Island	Operating Expenses	Clinton
	Balance Forward	$13,659,287	$348,891	$ 814,817	$1,005,352	$2,236,116	$889,904	$2,163,696	$5,614,568	$369,125	$216,818
10	Professional Services										
	Engineering	(654)			8,485						(9,139)
	Lab & Testing	390,716		390,716							
	Other	5,580	6,360	111	(7,140)		3,250		2,999		
	Security	3,051				3,051					
11	Other Materials										
	Office Supplies	21,105	869	37	2,756	4,031	1,990	2,507	8,623		292
	Postage	700					100	100	500		
	Lab. & Test Supp.	70,984		35,219				13,927	20,458		1,380
	Health/Safety	28,971	83	2,227	466	1,659	4,807	4,558	12,144		3,027
	Equip./Furniture	24,388	2,854	1,420	1,125	2,263	4,794	3,669	5,958	120	2,185
	Work Clothes	81,404	208	2,336	1,903	19,777	11,792	10,233	12,540	622	1,993
	Vehicle Expense	33,064	348	5,937	6,055	2,795	$5,902	$ 4,432	$ 5,844	1,556	195
	Other Materials	17,302	1,111	1,127	127	12			14,925		
12	Other Services										
	Print/duplications	13,578	76	1,694	2,444	954	1,915	751	5,744		
	Health/Safety	3,736				3,478	171		87		
	Telephone	38,971	405	357	2,157	11,420	4,199	2,480	16,580	221	1,152
	Memb./dues/Subscr.	12,103	7,190	1,524	1,510	502	207	112	1,058		
	Advertising	661		661							
	Space/Lease/Rental	9,300			4,500			1,925	2,125	750	
	Moving/Freight	4,489		624	51	149	549	1,364	1,682		70
	Other Rentals	4,315	814	320	881	44	1,564	44	648		
	Other Services	635,069	11,292	1,196	447		11,383	93,673	514,043		3,035
13	Insurance										
	Premiums	24,724	24,724								
	Payments/Claims	785						785			
17	Other										
	Capital items Exp.	(275,570)	(275,570)								
	Damages/Lawsuits	3,000	3,000								
18	Computer Services										
	Software	37,819	37,819								
	Total	**$14,848,878**	**$170,474**	**$1,260,323**	**$1,031,119**	**$2,286,251**	**$942,527**	**$2,304,256**	**$6,260,526**	**$372,394**	**$221,008**

HOUSE POST AUDIT - SCHEDULE 15
MASSACHUSETTS WATER RESOURSES AUTHORITY
WATERWORKS DIVISION
FY 89 - JULY 1, 88 - DEC. 31, 88

Sub.	Description	Total	Director Office	Maint. Eng. & Constr.	Metropolitan	Water Supply	Resource Cons. & Mng.	Capital Eng.& Devel
01	Wages & Salaries	$6,062,785	$ 78,967	$ 940,188	$2,617,500	$ 1,715,547	$184,114	$526,469
02	Overtime	335,622	1,678	53,502	182,227	96,279	1,923	13
03	Fringe Benefits							
	Overtime Meals	10,494		187	7,969	2,338		
	Health Ins.	(9,892)	(9,892)					
04	Workers Comp.							
	Comp. Payments	33,068	29,163	3,905				
	Med. Payments	14,194	13,836	358				
	Settlements	(723)	(723)					
05	Chemicals							
	Caustic Soda	16,412				16,412		
	Anhydrous Ammonia	12,980				12,980		
	Hydroflo. Acid	256,253				256,253		
	Copper Sulfate	20,950				20,950		
	Sodium Hyroxide	722,974				722,974		
	Calcium Hypoch.	5,481				5,481		
	Chlorine	168,579				168,579		
	Other	110,098				110,098		
06	Utilities							
	Fuel Oil	64,915			58,691	6,224		
	Natural Gas	1,066			689	377		
	Electricity	628,100		579	609,911	17,610		
	Water	1,556			1,405	151		
	Oxygen	477			477			
	Other	54,837			48,539	6,298		
	Subtotal	**$8,510,226**	**$113,029**	**$ 998,719**	**$3,527,408**	**$3,158,551**	$186,037	$526,482

HOUSE POST AUDIT - SCHEDULE 15 (CONT.)
MASSACHUSETTS WATER RESOURCES AUTHORITY
WATERWORKS DIVISION

Sub.	Description	Total	Director Office	Maint. Eng. & Constr.	Metropolitan	Water Supply	Resource Cons. & Mng.	Capital Eng.& Devel
	Balance Forward	$8,510,226	$113,029	$ 998,719	$3,527,408	$3,158,551	$186,037	$526,482
07	Ongoing Maintenance							
	Clean & Grds Mat.	32,817			19,308	13,509		
	Clean & Grds Ser.	5,486			4,003	1,483		
	Automotive Mat.	152				152		
	Building Mat.	41,243			33,918	7,325		
	Building Ser.	1,913				1,913		
	Plant & Mach. Mat.	42,823			27,154	15,669		
	Plant & Mach. Ser.	7,897			4,265	3,632		
	Pipeline Mat.	24,599			24,599			
	Pipeline Services	11,458			11,458			
	Spec. Equip. Mat.	25,690			25,690			
	Spec. Equip. Serv.	36,989	6,519	150	10,355	19,965		
	Other Materials	2,025				2,025		
	Other Services	15,419			15,419			
08	New Maintenance							
	Plant & Mach. Mat	2,136			2,136			
	Plant & Mach. Ser.	1,860				1,860		
	Spec. Equip. Mat.	2,397			2,397			
	Spec. Equip. Ser.	516		516				
	Other Services	13,199		13,199				
09	Ed. Train. & Meet.							
	Tuition Reimburs.	886	220	890		(308)		84
	Training & Meeting	35,793	7,602	5,832	4,597	1,465	3,484	12,813
10	Professional Services							
	Engineering	38,569		2,880			34,189	1,500
	Lab & Testing	3,600				3,600		
	Communications	48,755		23,126			25,629	
	Other	356		752			2,000	(2,396)
	Security	72,569			71,564	1,005		
	Subtotal	$8,979,373	$127,370	$1,046,064	$3,784,271	$3,231,846	$251,339	$538,483

HOUSE POST AUDIT - SCHEDULE 15 (CONT.)
MASSACHUSETTS WATER RESOURCES AUTHORITY
WATERWORKS DIVISION

Sub.	Description	Total	Director Office	Maint. Eng. & Constr.	Metropolitan	Water Supply	Resource Cons. & Mng.	Capital Eng.& Devel
	Balance Forward	$8,979,373	$127,370	$1,046,064	$3,784,271	$3,231,846	$251,339	$538,483
11	Other Materials							
	Office Supplies	13,674	254	2,139	3,486	6,073		1,722
	Postage	18,767		4	275	28	18,460	
	Lab. & Test. Supp.	7,398			19	7,379		
	Health/Safety	4,503	2,069	117	(754)	3,071		
	Equip./Furniture	15,857	3,134	8,290	4,241	(630)	822	
	Work Clothes	45,584		2,642	28,620	14,322		
	Veh. Expense	62,596	582	13,546	26,982	19,383	1,424	679
	Other Materials	8,156	66	6,616	54		929	491
12	Other Services							
	Printing/Dup.	24,733	253	(6,805)	3,183	2,107	27,262	(1,267)
	Health/Safety	458	193		265			
	Telephone	49,666	1	896	33,829	14,940		
	Memb./Dues/Subscr.	61,745	61,229					516
	Advertising	(44,863)	(11,456)					(33,407)
	Moving/Freight	829	805					24
	Other Rentals	6,280		684	2,143	3,453		
	Other Services	17,139	416	341	15,416	585		381
13	Insurance							
	Premiums	13,908	13,908					
	Payments/Claims	(1,144)			(1,144)			
17	Other							
	Cap. Items Exp.	147,281	147,281					
18	Software	21,279	21,279					
	Total	$9,453,219	$367,384	$1,074,534	$3,900,886	$3,302,557	$300,236	$507,622

HOUSE POST AUDIT - SCHEDULE 16
MASSACHUSETTS WATER RESOURCES AUTHORITY
FINANCE & DEVELOPMENT
FY 1989 - JULY 1, 88 - DECEMBER 31, 88

Sub.	Description	Total	Directors Office	Budget	Treasury	Procurement	Development
01	Wages and Salary	$1,364,557	$121,212	$396,480	$404,170	$357,66.	$ 85,032
02	Overtime	4,754	702	423	461	3,138	30
07	Ongoing Maintenance						
	Auto Service	10	10				
08	New Maintenance						
09	Ed.Training & Meetings						
	Tuition Reimb.	1,731		231	1,500		
	Training & Meet.	12,944	2,568	1,387	4,032	4,949	8
10	Professional Services						
	Legal	669			669		
	Audit	38,616			38,616		
	Other	144,323	14,102	10	130,011	200	
11	Other Materials						
	Office Supplies	2,651	1,007	600	781	263	
	Equip./Furniture	190	56		74	38	22
	Vehicle Exp.	530	134	37	165	145	49
	Other Materials	651	177		287	102	85
12	Other Services						
	Printing/Dup.	15,600		5,209	6,614	3,665	112
	Data Proc.	57,413			57,413		
	Membership/Dues	3,356	159	329	2,358	510	
	Advertising	46,338				45,987	351
	Other Serv.	430				430	
13	Insurance						
	Payment/Claims	48,818			48,818		
	Fees	916			916		
	Totals	**$1,744,497**	**$140,127**	**$404,706**	**$696,885**	**$417,090**	**$85,689**

HOUSE POST AUDIT - SCHEDULE 17
MASSACHUSETTS WATER RESOURCES AUTHORITY
DEER ISLAND PROGRAM MANAGEMENT
FY 89 JULY 1, 88 - DEC. 31. 88

Sub	Description	Total
01	Wages & Salaries	$476,224
02	Overtime	2,122
09	Ed Training & Meetings	
	Training & Meetings	14,179
10	Professional Services	
	Other	10,634
11	Other Materials	
	Office Supplies	826
	Equip./Furniture	3,485
	Vehicle Expense	120
	Other Materials	1,943
12	Other Services	
	Printing/Duplication	553
	Telephone	189
	Memb./Dues/Subscr.	2,033
	Moving/Freight	2
	Other Rentals	300
	Other Services	404
	Total	$513,014

HOUSE POST AUDIT - SCHEDULE 18
MASSACHUSETTS WATER RESOURCES AUTHORITY
ADMINISTRATIVE SUPPORT DIVISION
FY 1989 - JULY 1, 88 - DEC. 31, 88

Sub.	Description	Total	Director Office	Vehicle Maint. Fac.	Mgmt. Inf. Systems	Admin. Service
01	Wages and Salaries	$1,170,012	$ 85,532	$306,007	$272,988	$ 505,485
02	Overtime	57,846	2,536	7,949	540	46,821
03	Fringe Benefits					
	Overtime Meals	128				128
04	Workers Compensation					
	Compensation Payments	1,297	1,297			
	Medical Payments	3,046	2,933	80		33
05	Chemicals					
	Other	1,433				1,433
06	Utilities					
	Fuel Oil	2,020				2,020
	Natural Gas	152				152
	Electricity	180,904		21,744		159,160
	Water	30,722		691		30,031
07	Ongoing Maintenance					
	Cleaning & Grounds Mat.	6,615		6,615		
	Cleaning & Grounds Serv.	7,237				7,237
	Automotive Mat.	106,692		106,199		493
	Automotive Serv.	208				208
	Building Maintenance	5,730				5,730
	Building Serv.	13,148				13,148
	Spec. Equip. Maint.	2,647		2,647		
	Spec. Equip. Serv.	52,083		6,714	2,805	42,564
	Other Maintenance	425		425		
	Other Serv.	6,991		3,026	3,790	175
08	New Maintenance					
	Auto Maintenance	(19,333)		(19,333)		
	Auto Serv.	6,923	15	6,908		
	Bldg. Mat.	3,563				3,563
	Plant & Mach. Mat.	1,979				1,979
	Spec. Equip. Mat.	5,444			3,094	2,350
	Spec. Equip. Serv.	7,395			7,395	
	Subtotal	$1,655,307	$ 92,313	$449,672	$290,612	$ 822,710

HOUSE POST AUDIT - SCHEDULE 18 (CONT.)
MASSACHUSETTS WATER RESOURCES AUTHORITY
ADMINISTRATIVE SUPPORT DIVISION

Sub.	Description	Total	Director Office	Vehicle Maint. Fac.	Mgmt. Inf. Systems	Admin. Service
	Balance Forward	$1,655,307	$ 92,313	$449,672	$290,612	$ 822,710
09	Ed. Training & Meetings					
	Tuition Reimbursement	80				80
	Training & Meetings	67,487	3,974	781	57,916	4,816
10	Professional Services					
	Lab. & Testing	165				165
	Other	36,954				36,954
	Security	21,548				21,548
11	Other Materials					
	Office Supplies	110,934	158	1,061	1,466	108,249
	Postage	47,287		185		47,102
	Lab & Testing Supplies	825				825
	Health/Safety	650			580	70
	Equip./Furniture	22,392	2,512	865		19,015
	Work Clothes	6,171		41		6,130
	Vehicle Exp.	9,838	27	66	17	9,728
	Other Mat.	3,625			29	3,596
12	Other Services					
	Printing/Duplication	13,924		765	410	12,749
	Telephone	102,807				102,807
	Membership/Dues	5,394	145	429	829	3,991
	Advertising	276			276	
	Space Lease/Rentals	2,068,137		215,406		1,852,731
	Moving/Freight	50,093				50,093
	Other Rentals	33,226		2,394	5,856	24,976
	Other Services	33,835				33,835
	Totals	$4,290,955	$99,129	$671,665	$357,991	$3,162,170

HOUSE POST AUDIT - SCHEDULE 19
MASSACHUSETTS WATER RESOURCES AUTHORITY
OTHER DIVISION
FY 89 JULY 1, 88 - DEC. 31, 88

Sub.	Description	Total	Debt. Serv. Waterwork	Debt. Serv. Sewer	Insurance	Watershed	Pay. in Lieu of Taxes	Other	Operating Expenses
01	Salaries & Wages	$ 244,676	$	$	$	$	$	$	$244,676
02	Overtime	1,093							1,093
09	Ed./Train./Meetings								
	Tuition Reimb.	(4,000)							(4,000)
	Train. & Meet.	6,538							6,538
10	Professional Services								
	Other	1,421							1,421
11	Other Materials								
	Office Supplies	54							54
	Equip./Furniture	696							696
	Vehicle Exp.	46							46
	Other Materials	151							151
12	Other Services								
	Print/Duplic.	1,548							1,548
	Telephone	486						151	335
	Memb./Dues/Subsc.	373							373
	Other Services	597							597
13	Insurance								
	Premiums	767,185			767,185				
	Payment Claims	1,300,475			1,300,475				
	Fees	58,949			58,949				
14	Reimbursements								
	Watershed Re.	1,692,000				1,692,000			
	Pay. Lieu of Taxes	1,110,406					1,110,406		
15	Debt Service								
	Comm. Bonds-Water	1,084,785	1,084,785						
	Comm. Bonds-Sewer	1,756,877		1,756,877					
19	Mitigation								
	Quincy	150,387						150,387	
	Winthrop	383,020						383,020	
	Total	$8,557,763	$1,084,785	$1,756,877	$2,126,609	$1,692,000	$1,110,406	$533,558	$253,528

APPENDIX G
PROCUREMENT PROCESS
PROFESSIONAL SERVICE CONTRACTS

Cost Category #1

The procurement process for professional service contracts costing up to $2,500 is as follows:

1. The project manager prepares and forwards contract requisition form

This form contains pertinent information such as the estimated cost of the project, the source of funds, and the solicitation process to be used in procuring the contract. The requisition form must be signed by the head of the division requesting the project, the Affirmative Action and Compliance Unit, the Budget and Contract Office.

2. The project manager obtains quotes and selects consultants.

The project manager must obtain the names of appropriate service providers from any source (including, but not limited to trade publications or newspapers), contact at least three providers, describe the services to be provided, and obtain a quote. The project manager then selects the best responsive proposal.

3. Project manager prepares professional service order form

This form must be reviewed and signed by the head of the division and then sent to the procurement department for registration. After registration, one copy of the form is sent to the consultant.

Cost Category #2

For contracts costing more than $2,500 and up to $10,000 the procurement process is as follows:

1. The project manager obtains three quotes and selects the vendor.

This is the same as step 2 under cost category 1.

2. **The project manager prepares and forwards contract requisition form.**

This is the same as step 1 under cost category 1.

3. **Project manager prepares staff summary.**

The staff summary form is used to convey information and/or recommendations to the Board of Directors or the Executive Director. The staff summary must be signed by the head of the Division, and forwarded to the Procurement Division.

4. **Project manager prepares short form-contract.**

The project manager prepares the short-form contract including the section entitled "scope of services". All copies of the contract must be signed by the proposed consultant and the division head.

5. **Contract office processes staff summary, registers contracts and returns one contract to the consultant.**

Cost Category #3

The procurement process for professional service contracts costing more than $10,000 and up to $25,000 is as follows:

1. **The project manager prepares and forwards scope of services and contract requisition form.**

2. **Project manager submits draft RFQ/P including evaluation criteria and draft contract including scope of services, to contract office.**

A RFQ/P means a request for qualification and proposals. When preparing the RFQ/P, the project manager must use the form developed by the Procurement Department.

3. **Project manager requests publication or advertisement or arranges direct circulation of RFQ/P.**

The contract office must arrange either for publication of the RFQ/P or for direct circulation by completing the appropriate advertising form. Publication may be made in a newspaper of general circulation, a trade journal, the Central Register, or the Goods and Services Bulletin.

4. Contract office forward proposals.

The contract office must assemble a list of all proposals received and then forward the proposals to the project manager for review.

5. Project manager recommends consultant.

After the project manager makes his/her recommendation, the head of the department must then forward to the contract office a summary of the procurement process followed, the proposals and quotes received, and the reasons why the consultant was selected.

6. Project manager negotiates terms and obtains signed contract.

Must negotiate contract terms and obtain the contractors signature.

7. Prepare and forward signed copies of staff summary, and contracts, signed by the consultant, to the contract office.

8. Contract office arranges for the Executive Directors signature on the staff summary and contract.

Cost Category #4

For contracts costing more than $25,000 the procurement method is as follows:

1. Project manager requests either a one step (combined RFQ/P) or two step (separate RFQ and RFP) solicitation process.

A combined RFQ/P process (one step) should be used for most non-engineering contract procurements and may be appropriate for many design contracts. However, when the dollar amount of the proposed contract is high and the work to be performed is complex, a two-step process may be used.

2. Project manager lists proposed selection committee members on contract requisition form.

Contracts for amounts more than $25,000 and less than $100,000.00 require a minimum of five individuals, including one member from the procurement department and one from the affirmative action unit who will both be non-voting members on the committee.

Contracts for more than $100,000.00 require a minimum of seven MWRA employees be appointed to the selection committee.

All Committee members must be approved by the Executive Director.

3. Project manager forwards the contract requisition form.

4. Contract office forwards the requisition form to the Executive Director.

The Executive Director reviews and makes any necessary changes to the requisition form.

***5. If a one-step process was deemed necessary, then the project manager:**

a. Prepares and submits draft RFQ/P and draft contract to the contract office.

b. The selection committee meets to approve the RFQ/P and the evaluation criteria.

c. The selection committee assigns points to and ranks the proposed evaluation criteria.

d. Project manager completes the advertisement request, submits approved RFQ/P to contract office.

e. Contract office places advertisement and mails out RFQ/P to those requesting it.

f. Responses to the RFQ/P are given to the selection committee for review. Each committee member reviews all responses and fills out a scoring sheet.

g. The selection committee meets to discuss the scoring. At this time, the committee may require all respondents to make in person presentations.

h. The Chairman of the committee reports the tally of scores and identifies the first-ranked finalist.

i. Project manager obtains affirmative action unit's approval.

j. Project manager forwards staff summary requesting approval of award by the Executive

Director or MWRA Board of Directors. Contracts for an amount not to exceed $50,000.00 to an individual or $100,000.00 to a business entity may be awarded by the Executive Director. All other cases require the approval of the Board.

6. If a two-step process is deemed necessary, the project manager will:

a. Prepare a draft RFQ along with evaluation criteria.

b. The selection committee will meet to approve the draft RFQ and assign points to, and rank the evaluation criteria.

c. The project manager prepares and forwards the advertisement form, approved RFQ, and evaluation criteria to the contract office.

d. Contract office places advertisement and mails out copies of the RFQ to those requesting it.

e. Each selection committee member reviews responses and completes the scoring sheet.

f. The Committee reviews the scoring and selects no less than three finalists.

g. Project manager prepares and submits to the contract office a draft RFP and evaluation criteria.

h. Committee approves the RFP, assigns points to and ranks the RFP evaluation criteria.

i. Contract office will issue RFP and contract to the RFQ finalists.

j. The remainder of this process is the same as F through j, outlined in the one step process.

Source: MWRA Procedures for Procurement of Professional Services

APPENDIX H
PROCUREMENT PROCESS
NON-PROFESSIONAL SERVICE CONTRACTS

1. Competitive Bid Process

Contracts estimated to cost more than $10,000.00 must be awarded to the lowest responsible bidder on the basis of competitive bids.

2. The project manager prepares and forwards contract requisition form.

This is the same form that is used to procure professional services. The contract requisition must be approved by the head of the division requesting the project, the Affirmative Action and Compliance Unit, and the Budget and Contract Office.

3. A selection committee is chosen and approved by the Executive Director.

The selection committee is to be comprised of no less than five individuals.

4. Project manager prepares and submits draft RFQ and draft contract to the contract office.

5. The selection committee approves the RFQ and the weighted evaluation criteria.

6. Advertise the availability of the RFQ.

The project manager completes the advertisement request form, and submits the approved RFQ to the contract office. The contract office places advertisement.

7. Select vendor.

The selection committee reviews the responses to the RFQ and chooses three finalists, ranking each finalist in descending order.

8. Award of contract.

* For contracts not to exceed $50,000 within any one year for an individual, or $100,000 for a business entity, the approval of the Executive Director is necessary.

* For contracts up to the limit of $10,000 - Division

Director or Deputy Director.

* For contracts up to the limit of $5,000 - Any designee of the Executive Director, a Division Director, or the Deputy Director.

Source: MWRA: Management Procedures Manual

APPENDIX I
PROCUREMENT PROCESS
CONSTRUCTION CONTRACTS

1. Competitive bid process

All contracts for construction, reconstruction, installation, demolition, or repair estimated to cost more than $25,000 must be awarded to the lowest responsible bidder on the basis of competitive bids.

2. Project manager prepares and submits contract requisition form.

3. Selection committee is chosen.

The selection committee must be no fewer than 5 individuals and must be approved by the Executive Director.

4. Specifications for bidding process.

For each person requesting such specifications, the authority must prepare plans and specifications drawn on a scale of not less than one-eighth inch to one foot except for site plans.

The Authority must also prepare and update a list of all persons who have requested the specifications. This list is to be posted at the Authority and sent on a weekly basis to the central register.

5. Receive bids and bid deposit.

All bids must be accompanied by a bid deposit. The deposit is five percent of the value of the bid and all bids except those of the three lowest bidders, shall be returned within three days of the opening of the bid process.

6. Selection Committee reviews bids and chooses the three lowest most eligible.

The lowest, most eligible means the bidder:

* whose bid is the lowest of those possessing the skill, ability and integrity necessary to complete the work.

* who can certify that he is able to furnish the labor to complete the work.

* who has been determined to be qualified.

* who obtains, within ten days of notification of contract award, the bond of a surety company.

7. **Contract Award.**

The Executive Director may execute construction contracts for an amount up to $1,000,000 where the contract is to the lowest dollar bidder or up to $500,000 where the recommendation is to other than the lowest bidder.

A Division Director, with the written approval of the Executive Director, may execute a construction contract for an amount up to $25,000.

Source: MWRA: Management Procedures Manual

HOUSE POST AUDIT AND OVERSIGHT COMMITTEE

HOUSE POST AUDIT AND OVERSIGHT BUREAU

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